



National Pension Commission

Annual Report

2008

Corporate *Vision*



“To be a world-class organisation that ensures the prompt payment of retirement benefits and promotes a sustainable pension industry that positively impacts on the economic development of Nigeria”

“To be an effective regulator and supervisor that ensures the safety of pension assets and fair return on investment utilising appropriate technology, with highly skilled and motivated staff”

Mission Statement

MEMBERS OF THE BOARD



Chief Oluwole A. Adeosun, FCA, OON
Chairman



Mr. Muhammad K. Ahmad
Director General



Mr. P. N. Akubueze
Commissioner (Finance & Investment)



Miss Eyamba T. Henshaw
Commissioner (Technical)



Dr. Musa A. Ibrahim
Commissioner (Inspectorate)



Mr. Manzuma T. Mamman
Commissioner (Administration)



MEMBERS



Alhaji Ali Abatcha
Nigeria Union of Pensioners



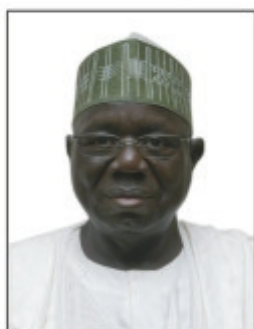
Dr. Sani Teidi Shuaibu
Office of Head of Service of the Fed.



Musa Al-Faki
Securities & Exchange Commission



Mr. Ivor Takor
Nigeria Labour Congress



Mr. C. D. Gali
Federal Ministry of Finance



Mr. Segun Oshinowo
Nigeria Employers Consultative Association



P. A. H. Ataman
Central Bank of Nigeria



Chinelo Anohu-Amazu
Commission Sec./Legal Adviser





Mr. Muhammad K. Ahmad
Director General



Mr. P. N. Akubueze
Commissioner (Finance & Investment)



Miss Eyamba T. Henshaw
Commissioner (Technical)



Dr. Musa A. Ibrahim
Commissioner (Inspectorate)



Mr. Manzuma T. Mamman
Commissioner (Administration)

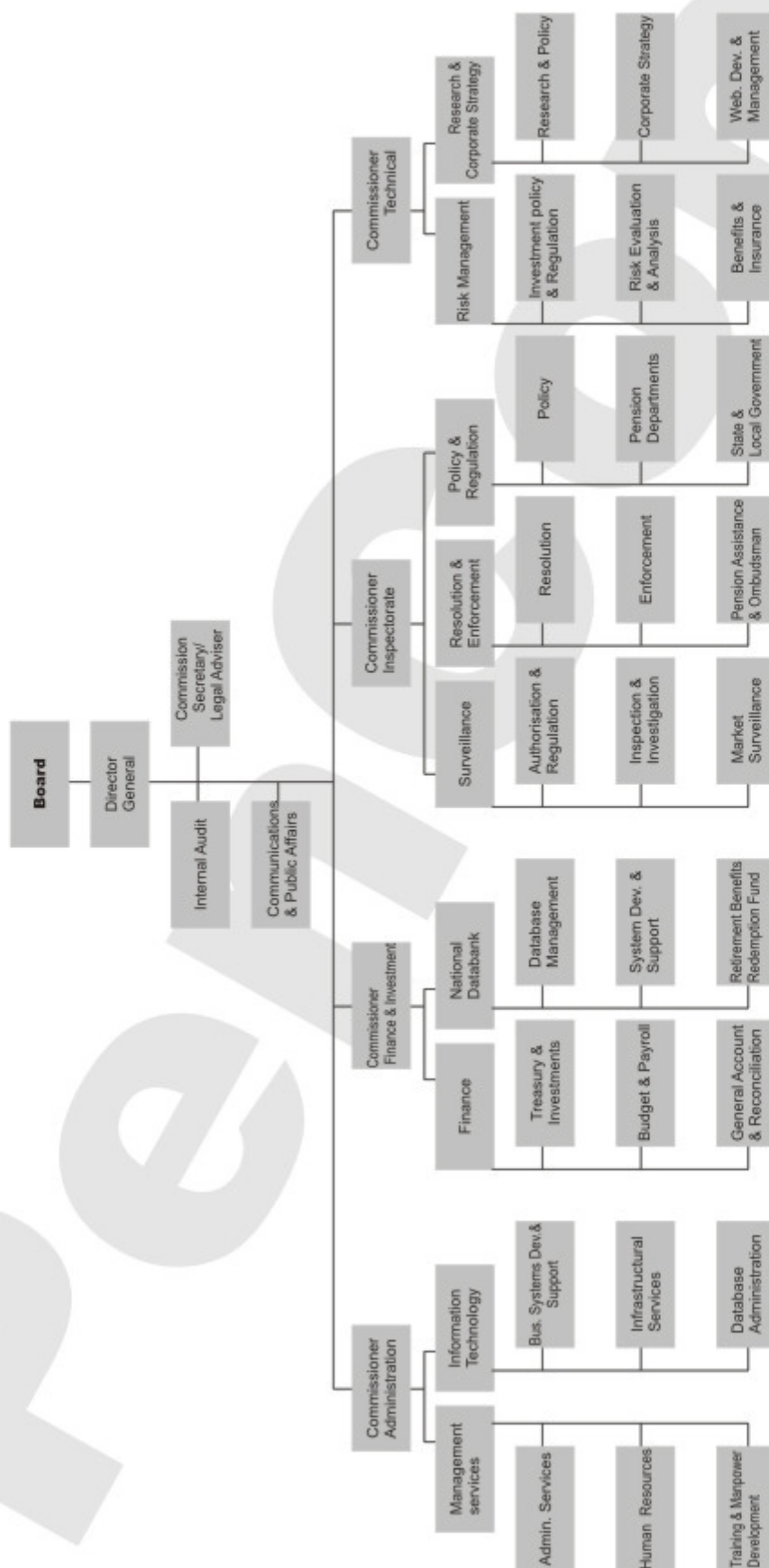


MANAGEMENT CONSULTATIVE COMMITTEE MEMBERS

Mr. Muhammad K. Ahmad	Director General
Mr. Pius N. Akubueze	Commissioner (Finance & Investment)
Ms. Eyamba T. Henshaw	Commissioner (Technical)
Dr. Musa A. Ibrahim	Commissioner (Inspectorate)
Mr. Manzuma T. Mamman	Commissioner (Administration)
Mrs. Chinelo Anohu-Amazu	Commission Secretary/Legal Adviser
Mrs. Aisha I. Mustafa	Head (Management Services Department)
Mr. Muhammad B. Umar	Head (Resolution & Enforcement Department)
Mrs. Grace E. Usoro	Head (Policy & Regulation Department)
Mr. Muhammad Y. Datti	Head (Surveillance Department)
Mr. Moses O. Loyinmi	Head (Risk Management Department)
Mrs. Ekanem B. Aikhomu	Head (National Databank Department)
Mr. Inuwa O. Iyodo	Head (Finance Department)
Dr. Umaru F. Aminu	Head (Research & Corporate Strategy)
Mr. Nickolas Z. Mbajwa	Head (Internal Audit)
Dr. Dan Ndackson	Ag. Head (Information Technology)
Dr. Babayo K. Ardo	Ag. Head (Communications & Public Affairs)



ORGANISATIONAL STRUCTURE



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CHAIRMAN'S STATEMENT

It is with honour and gratitude to Almighty God that I present the Annual Report and Statement of Accounts of the National Pension Commission (PenCom) for the year ended 31 December, 2008. PenCom had, during the period under review, continued to advance the frontiers and further entrench the fundamentals of the new Contributory Pension Scheme (CPS) within the provisions of the Pension Reform Act (PRA) 2004.



Chief Oluwale A. Adeosun, FCA, OON

As the apex authority saddled with the responsibility of regulating and supervising the new pension industry, PenCom had been working round the clock within the confines of the law with the view to ensuring that all those who worked and retired got their benefits as and when due.

In realising the objective of enhancing and strengthening the regulatory and supervisory function, PenCom focused on five high priority areas: enhancing corporate governance among pension fund operators; enforcing compliance with the provisions of the PRA 2004, especially among quoted and large companies; development of accounting standards for the pension industry; securing pension fund investments given the downturn in the Nigerian capital market; and the development of a corporate plan to reposition PenCom in meeting the challenges facing the pension industry. I would like to share with you some of our key achievements in the pursuit of these objectives as well as the challenges for 2009.

Guidelines and Regulations were issued in the efforts at ensuring orderliness and smooth operation of the pension industry, with emphasis on entrenching sound corporate governance in the activities of pension fund operators. Specifically, Codes of Ethics and Business Practices; Corporate Governance and Whistle Blowing in addition to the Circular on Minimum Information Disclosure were issued.

The Board had designated 2008 as the "Year of Compliance". Towards this end, deliberate measures were embarked upon to enhance compliance with the provisions of the PRA 2004 such as collaboration with key stakeholders, on-site inspection of employers and the application of sanctions on erring employers. Major successes were recorded in terms of number of registrations and transfer of pension funds to licensed Pension Fund Operators.

The development of accounting standards for the pension industry was another key priority area in 2008. Presently, exposure drafts are being finalised by the Nigerian Accounting Standards Board in this respect.

Unarguably, 2008 had thrown up several challenges to the pension industry, especially on pension fund investments. A policy response to the challenges had been the issuance of the guidelines on retiree fund, which stipulated that retiree assets be invested in strictly fixed income instruments. Assets of the fund were mainly in fixed income securities in order to protect retiree assets from volatilities of other high yielding instruments, particularly equities, allowed for the Retirement Savings Account (RSA) portfolio. PenCom also ensured the safety, sound management and growth of pension assets in spite of the global financial meltdown witnessed during the year that



adversely affected pension funds generally in the world including Nigeria. This was achieved through close monitoring of the activities of the licensed pension operators, particularly the daily review of the RSA portfolio and monthly review of the CPFA and AES portfolios. Corrective measures were taken when necessary to ensure the safety of the pension investments.

In the quest to re-position PenCom to meet the challenges of establishing an efficient and effective pension industry in Nigeria, a comprehensive Corporate Strategy Plan was developed. The Corporate Strategy Plan covers the period 2008 – 2013.

Indeed, the modest successes recorded by PenCom and the new pension industry in the year 2008 would go a long way in securing the future of the Nigerian worker and enhance the growth of the Nigerian economy by generating a pool of long time investible funds that would boost the real sector and stabilize the economy.

Collaboration with other Government Agencies was continued during the year in an effort to address the problems occasioned by the defunct defined benefit system for existing pensioners who retired under the old pension system. Particularly, the validation and enrolment of pensioners of federal parastatals was conducted in conjunction with some key Federal Government establishments to address the structural problems, bordering on non-payment of benefits as and when due, associated with the pension systems operated by the parastatals.

In spite of the modest achievements recorded so far, year 2009 would pose several challenges to the pension industry. The implementation of the PRA 2004 has engendered several challenges that hinge on the operational environment as well as the enabling Act such as compliance by employers and the paucity of permissible investment universe. These therefore call for concerted efforts by all stakeholders to reposition the industry and in so doing, review the implementation process and the PRA 2004.

I therefore recommend this report to all stakeholders and operators of the pension industry, captains of industry, the academia and all those interested in the welfare of the Nigerian workers and the growth of our economy.

In conclusion, I would like to use this medium to express my appreciation and gratitude to the Director-General, Executive Management, other members of the Board, Management and indeed all Staff of PenCom for remaining professional and ethical in the discharge of their duties. There is no doubt that the renewal of tenure of Board members for another four years by his Excellency, Alhaji Umaru Musa Yar'Adua, GCFR, President and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria, is a vote of confidence in the ability of PenCom and also a challenge for more commitment and dedication to duty.



Chief Oluwale A. Adeosun, OON, FCA
Chairman

DIRECTOR GENERAL'S REPORT

I am pleased to highlight the developments in the Nigerian pension industry and the activities of PenCom for the period ended December 31, 2008.

The Pension Industry

The industry witnessed improved developments in various sectors. As at the end of the year 2008, a licence each was granted for Pension Fund Administrators (PFA), Pension Fund Custodians (PFC) and Closed Pension Fund Administrators (CPFA) that brought the total number of operators to 38, which includes 26 PFAs, 5 PFCs and 7 CPFAs. Additional approval was granted to one existing scheme bringing the total number of Approved Existing Schemes (AES) to 19 in 2008.

As at 31 December 2008, workers in the public and private sectors had opened 3,467,856 Retirement Saving Accounts (RSAs) with licensed PFAs. The membership of the CPFAs and the AES were 26,026 and 41,134 respectively. Also, many State Governments were at various stages of implementing the CPS.

The industry witnessed an inflow of contributions and transfer of assets from both public and private sectors. In the public sector, the annual contributions had grown from N70.25 billion in 2007 to N99.28 billion in 2008, which represented a growth of 41.32 percent. Similarly, private sector contributions grew from N68.34 billion in 2007 to N80.81 billion in 2008, representing an increase of 18.25 percent. Indeed, monthly contributions averaged N15 billion during the year where the public sector contributions averaged N8.27 billion compared with N5.85 billion in 2007 while in the private sector, total monthly average contributions stood at N6.73 billion compared with N5.70 billion in 2007. The impressive increases reflect the general improved level of compliance by employees and employers in both the public and private sectors.

The total pension fund assets in the custody of PFCs grew from N815.18 billion by the end of 2007 to N1,098.98 billion as at 31 December, 2008, which represented an increase of 34.81 percent. The total was made up of N471.76 billion (42.93 percent) RSA assets, N294.62 billion (26.81 percent) CPFA assets and N332.61 billion (30.27 percent) AES assets. The bulk of the total pension fund assets were invested in three main asset classes, namely, Federal Government of Nigeria securities, quoted stocks and domestic money market instruments.

The Nigerian capital market, which represented one of the platforms for investing pension funds, was hard hit in 2008 by the global economic meltdown leading to depreciation of 26,539.44 (45.77 percent) and N3.22 trillion (31.66 percent) in the All Share Index and Market Capitalization respectively. By implication, Nigerian investors, including pension funds, experienced un-realized losses within the year. However, due to the proactive and risk focused investment regulation earlier issued by PenCom that stipulated quantitative limits on equity investments to 25 percent, only 9 percent of the RSA assets were invested in quoted equities as at the end of 2008. Pension funds, being long term in nature, are expected to recoup the unrealized losses incurred due to the meltdown with the expected recovery in the capital market over time. Most of the contributors under the CPS would not be affected by the effects of the meltdown as about 85% of the contributors were aged 50 years and below, thus, would stay in the



Mr. Muhammad K. Ahmad



service long enough for the market to make a full recovery before they start accessing their retirement benefits. Furthermore, a retiree fund was created in 2008 that demands that retiree assets can only be invested in fixed income securities such as FGN Bonds with effect from January, 2009. This was with a view to safeguard the pension assets of retirees from excessive risk due to the economic meltdown.

In collaboration with other Government Agencies, PenCom continued to make efforts to address the problems occasioned by the defunct defined benefits system. Phase I of the Pensioners' Verification Exercise was coordinated during the year under review. Pensioners of 145 Federal Parastatals out of a total number of 400 Parastatals under the Unified Pension Scheme were validated and enrolled during the exercise.

Regulatory and Supervisory Framework

The focus during the year under review was on establishing a sound, transparent and credible regulatory and supervisory framework for the industry. A number of regulatory and supervisory measures were taken which included further issuance of Guidelines and Regulations, surveillance through both off-site and on-site supervision of operators using risk-based methodology, securing compliance and enforcement to the PRA 2004 by employers and the supervision of the investment of pension funds. The consultative and collaborative approach to rule making was further sustained and enhanced with the monthly meeting with operators to review developments and consider policy matters affecting the industry as well as discuss issues that would promote and guarantee the safety and the soundness of the industry. In addition, stakeholders such as Nigerian Labour Congress (NLC), Trade Union Congress (TUC), Nigeria Employers Consultative Assembly (NECA), and the Nigeria Union of Pensioners (NUP) were continuously engaged on various aspects of the pension reform.

Other Activities of PenCom

During the year under review, collaborative efforts were undertaken with the Central Bank of Nigeria (CBN), Debt Management Office (DMO), Securities and Exchange Commission (SEC), Federal Inland Revenue Service (FIRS), National Insurance Commission (NAICOM) and the Nigeria Accounting Standards Board (NASB). The collaborative activities were on issues that cut across the jurisdictions of these regulatory/supervisory agencies such as tax and transaction costs; issuance of guidelines and regulations especially in the areas of life insurance policy as provided under the PRA 2004; promotion of the development of the bond market as well as the Financial System Strategy (FSS) 2020. PenCom also participated in many inter-Ministerial Committees on various aspects of the reform programme of the Federal Government.

Future Outlook

The achievements recorded in implementing the PRA 2004 notwithstanding, the challenges ahead remain enormous. After four years of implementation, the need to review the enabling Act became obvious and hence the need for a stakeholders Conference, which could be conducted to re-examine some of the grey areas with a view to addressing them.



Despite the global financial meltdown, the industry had been able to weather the storm relatively unscathed largely due to the robust regulatory and supervisory framework designed to adequately monitor the industry. This reinforced our faith in the proactive and strict regulatory approach adopted that led to the review of the investment regulation and incorporated lessons learnt from the experience to make the industry more dynamic.

The industry has a very bright future with a stable and predictable macroeconomic environment to the benefit of the Nigerian workers and the economy. PenCom would continue to improve its service delivery standards and framework, intensify public education as well as promote compliance and capacity building in the industry.

A long term strategy plan was designed to cope with the current and perceived challenges of the industry in terms of efficiency of service delivery and effectiveness in the regulation and supervision of the industry. This plan would be concluded and operationalised in the coming year.

Appreciation

At this juncture, I would like to recognize the various contributions of our Chairman, Chief O. A. Adeosun, OON, FCA and other members of the Board in ensuring that PenCom achieved the modest successes recorded during the period under review.

The Management and the entire Staff also deserve commendation for their dedication and commitment to duty. The two awards won by PenCom as Regulator of the year by **Thisday** and **Leadership** Newspapers were testamentary to their hard work and dedication to duty. Let me assure all Staff that the Management, on behalf of the Board, would continue to motivate and provide a conducive atmosphere for higher productivity.

In conclusion, I would like to recognize the support and collaborative efforts enjoyed from other regulatory institutions in the financial sector, the Senate and House Committees that supervise pension matters, our social partners and other stakeholders within and outside the country such as the International Organisation of Pension Supervisors (IOPS), International Social Security Association (ISSA) and International Finance Corporation (IFC).



Muhammad K. Ahmad
Director General



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ABBREVIATION AND ACRONYMS

AES	Approved Existing Scheme
CBN	Central Bank of Nigeria
CPFA	Closed Pension Fund Administrator
CPS	Contributory Pension Scheme
CRS	Contributor Registration System
EXCO	Executive Committee
FGN	Federal Republic of Nigeria
FSRCC	Financial Services Regulation Coordinating Committee
IAS	International Accounting Standards
ICT	Information and Communication Technology
IOPS	International Organisation of Pension Supervisors
ISSA	International Social Security Association
MCC	Management Consultative Committee
MDA	Ministries, Departments and Agencies
MPR	Monetary Policy Rate
MSU	Ministerial SERVICOM Unit
NAICOM	National Insurance Commission
NASB	Nigerian Accounting Standards Board
NDB	National Data Bank
NECA	Nigeria Employers Consultative Association
NIBOR	Inter-Bank Offer Rate
NLC	Nigeria Labour Congress
NSE	Nigerian Stock Exchange
OECD	Organisation for Economic Co-operation and Development
PenCom	National Pension Commission
PenOp	Association of Pension Operators of Nigeria
PFA	Pension Fund Administrator
PFC	Pension Fund Custodian
PIN	Personal Information Number
PRA 2004	Pension Reform Act, 2004
RFP	Request for Proposal
RSA	Retirement Savings Account
WAIFEM	West African Institute for Economic and Financial Management



PART 1

Mandate and Core Values



MANDATE AND CORE VALUES

1.1 OUR MANDATE

Section 14(1) of the PRA 2004 provides for the establishment of PenCom to regulate, supervise and ensure the effective administration of pension matters in Nigeria. Accordingly, the mandate of the Commission is to:

- a) Regulate and supervise pension schemes;
- b) Formulate, direct and oversee the overall policy on pension matters in Nigeria;
- c) Approve, licence and supervise Pension Fund Administrators (PFAs), Pension Fund Custodians (PFCs) and other institutions relating to pension matters;
- d) Issue Regulations and Guidelines;
- e) Maintain a National Data Bank on pension matters;
- f) Receive and investigate complaints against PFCs, PFAs and Employers; and
- g) Enforce sanctions and penalties.

1.2 CORE VALUES

The core values of PenCom form an integral part of its people and culture, which are imbibed by its staff to effectively actualise its mandate. The core values emphasize **Transparency, Responsiveness, Integrity, Proactivity and Professionalism (TRIPP)**.

1.2.1 Transparency

PenCom regulates and supervises a pension industry that is transparent and accountable. Thus, its employees are required to maintain the highest ethical standards and to create an atmosphere of mutual trust and confidence through openness and clarity in the discharge of their responsibilities.

1.2.2 Responsiveness

Responsiveness in the discharge of responsibilities by staff is a cardinal quality. This requires being prompt and efficient as well as imbibing the culture of timeliness and accuracy in service delivery.

1.2.3 Integrity

Staff are expected to attain the highest level of integrity in both their personal and official engagements. Commitment to honesty and dedication are virtues that are a hallmark of all staff of PenCom.

1.2.4 Proactivity

Proactivity relates to commitment to creating an anticipatory and change-oriented organisation. Thus, a desirable quality possessed by PenCom staff is the ability to act in advance of a future situation, rather than just reacting to it.

1.2.5 Professionalism

Staff are expected to exhibit a high degree of professionalism in the discharge of their responsibilities. In this regard, staff must be competent, accountable, respectful, creative and above all, team players.



1.3 PENCOM CHARTER

A tailored approach has been adopted in meeting the needs of each class of stakeholders as demonstrated below:

STAKEHOLDERS	PROMISE
Pensioners	<ul style="list-style-type: none"> ■ Timely payment of pension ■ Security of pension assets
Contributors	<ul style="list-style-type: none"> ■ Security of pension assets ■ Ensure compliance of employers ■ Ensure effective service delivery by operators
Government	<ul style="list-style-type: none"> ■ A safe and sound pension industry ■ Positive contribution to economic development ■ Contribution to social safety net
PenCom Staff	<ul style="list-style-type: none"> ■ Recognition and reward for good performance ■ Provision of a learning environment ■ Opportunities for career advancement/development ■ Promotion of team spirit and provision of conducive working environment ■ Provision of effective communication channel
Public	<ul style="list-style-type: none"> ■ Effective communication and enlightenment ■ Responsible corporate citizen ■ Environment friendly organization
Employers	<p><i>Employers whose staff opened RSAs</i></p> <ul style="list-style-type: none"> ■ Pro-activity and responsiveness ■ Ensure compliance <p><i>Employers that maintained their Existing Schemes</i></p> <ul style="list-style-type: none"> ■ Safety of pension assets and fair returns on investment ■ Effective supervision
Pension Operators	<p><i>PFAs, CPFAs & PFCs</i></p> <ul style="list-style-type: none"> ■ Effective and efficient regulation and supervision ■ Prompt regulatory and supervisory intervention on all operators' issues ■ Effective capacity development for the industry <p><i>Insurance Industry and Pension Departments</i></p> <ul style="list-style-type: none"> ■ Continuous collaboration with NAICOM for a flourishing life insurance business ■ Effective supervision of Pension Departments ■ Technical support for both Pension Departments and insurance companies in the implementation of the CPS



PART 2

Corporate Activities



CORPORATE ACTIVITIES

2.1 REGULATORY AND SUPERVISORY ACTIVITIES

Regulatory and supervisory activities were centered mainly along five broad areas, namely, issuance of guidelines and regulations; surveillance of licensed operators; ensuring compliance with and enforcement of the provisions of the PRA 2004; supervision of pension fund investments; and maintenance of databank on pension matters. The open, transparent and consultative nature of these activities as carried out in the preceding years, albeit with zero tolerance for any infraction, were maintained throughout the period under review.

2.1.1 Issuance of Guidelines and Regulations

In continuation with the efforts at ensuring orderliness and smooth operation of the pension industry, additional Guidelines and Regulations were issued to further guide the activities of the pension fund operators in 2008. The regulations issued during the period are available at PenCom's website and listed hereunder:

- a) *Code of Ethics and Business Practices for Licensed Pension Operators*: this outlined ethical standards for the pension industry including accuracy of records and reports, confidentiality of information, relationship between operators, and "conflict of interest" issues.
- b) *Code of Corporate Governance for Licensed Pension Operators*: this set out rules based on best practices to guide pension operators on the structures and processes to be used towards achieving effective governance and establish overall performance and market integrity.
- c) *Whistle Blowing Guideline*: this was issued to protect, guide and encourage employees and the general public to report breaches of the provisions of the PRA 2004 and regulation issued by any pension operator or employer.
- d) *Circular on Minimum Information Disclosure*: this was issued to provide a guide on the minimum information to be disclosed on a PFA's website to ensure greater disclosure and transparency by all pension operators. This was to allow all stakeholders, particularly Retirement Savings Account (RSA) holders, to have access to basic information regarding their RSAs in particular and the industry in general.
- e) *Amendment to the Regulation on Investment of Pension Fund Assets*: the Regulation on the Investment of Pension Fund Assets was revised based on market dictates and the need to further hedge against inherent investment risks.
- f) *Guidelines on Retiree Fund*: prior to the introduction of the Retiree Fund, the assets of both retirees and active contributors under the CPS were managed as RSA Fund, which had a portfolio that contained equities. Consequent upon the effect of the global economic meltdown on the equity investments of the RSA Fund, the Retiree Fund was introduced, with assets mainly in fixed income securities, in order to protect the retiree assets from volatilities of other variable instruments (mainly equities) in the RSA portfolio.



2.1.2 Surveillance of the Pension Industry

Surveillance of licensed pension operators involved both on-site and off-site examinations. Maiden on-site examination was conducted on seventeen (17) pension operators while routine examination was carried out on another seventeen (17) operators during the period, bringing the total number of operators examined on-site during the year to 34. The examination, which was conducted using risk-based framework, involved the assessment of the internal processes and controls of the pension operators, adequacy of their ICT infrastructure, pension assets under management and risk management regimes.

Special examinations were also conducted on two PFAs based on information gathered from off-site analyses. The outcomes of the special examinations re-enforced the findings of the maiden and routine examinations with regards to their strength and performance.

2.1.3 Compliance and Enforcement Activities

A number of measures were taken to ensure compliance with the provisions of the PRA 2004 by private and self-funding public organisations. The strategies included collaboration with key stakeholders, on-site inspection of employers, and the application of sanctions on erring employers.

a) Collaboration with Key Stakeholders

An interactive forum was organised with the Nigeria Employers' Consultative Association (NECA) to further discuss the implementation of the Contributory Pension Scheme (CPS). It also held a similar session with the Nigeria Labour Congress (NLC) on how to enhance compliance with the PRA 2004. The interactive sessions provided opportunities to discuss the challenges and concerns of these key stakeholders. Similarly, collaborative efforts were made in conjunction with the Association of Pension Operators of Nigeria (PenOp), in addressing a wide range of pension and related matters affecting the pension industry.

b) On-Site Inspection of Employers

On-site inspection was conducted on banks, insurance companies and self funded public sector organizations during the year. The inspection revealed the following:

(i) Banks

The twenty-four (24) deposit money banks were inspected to determine their level of compliance with the PRA 2004 and PenCom's guidelines. As at the date of the examination, 43,549 out of the industry's 62,095 employees had opened RSAs. The sum of N22.82 billion had also been remitted to the RSAs while the sum of N1.9 billion was outstanding. The examination also revealed that legacy pension assets worth N84.05 billion were yet to be transferred to licensed pension operators. PenCom had taken steps to ensure that the banks complied with the PRA 2004.

As at 31 December, 2008, out of the 18,546 employees that were yet to open RSAs, 8,350 had opened and the sum of N3.77 billion remitted to their PFAs. Thus, only 10,195 out of the 62,095 employees in the banking sector were yet to open RSAs. Also, out of the N84.05 billion worth of legacy pension assets,



N63.34 billion were transferred to the licensed pension operators by the end of 2008.

(ii) Insurance Companies

The on-site inspection of forty (40) insurance companies revealed that out of 5,854 employees, 4,442 employees had opened RSAs while 1,390 were yet to open. The sum of N1.33 billion was remitted to their RSAs while N211.59 million had not been remitted. The insurance companies had in-house legacy pension assets worth N689.09 million that were yet to be transferred to the licensed pension operators. This is in addition to third-party pension assets worth N9.12 billion that were under their management as well as N8.69 billion belonging to public sector organisations under the Unified Pension Scheme. However, effort was maintained to ensure the transfer of these pension assets to licensed pension operators.

(iii) Federal Government Self-Funding Agencies

On-site inspection was also conducted on ten (10) Federal Government self-funding Agencies. The inspection revealed that out of the agencies' 14,118 employees, 12,525 had opened RSAs. The sum of N4.04 billion had also been remitted to the employees' RSAs while N2.23 billion was outstanding. Similarly, legacy assets worth N22.31 billion were yet to be transferred to licensed pension operators. The respective agencies were engaged to ensure the transfer of the assets before the end of the 2nd quarter of 2009.

(c) Sanctions

The implementation of the sanctions regime commenced during the year under review. Eight hundred and seventy four (874) organisations were cautioned for failure to respond to enquiries while monetary penalties were imposed on eighty (80) organisations that failed to comply with the provisions of the PRA 2004. Similarly, a public censure was conducted on ninety (90) organisations that failed to comply with the provisions of the PRA 2004 by publicising their names in some national dailies. PenCom commenced the necessary steps for legal action against organisations violating the provisions of the PRA 2004.

2.1.4 Resolution Activities

Resolution activities were focused on Trustfund Pensions Plc with respect to determination of liabilities of the NSITF Scheme and modalities for the transfer of the scheme assets to beneficiaries' RSAs.

(a) Handover of Trustfund Pensions Plc

Due to some concerns over the way Trustfund Pensions Plc was being managed, the entire management was asked to step aside and an Interim Management Committee (IMC) was appointed to run the affairs of the PFA. However, following the stabilisation of the PFA by the IMC and the nomination of new management by shareholders, the affairs of Trustfund Pensions Plc were handed over to the shareholders on 18 January, 2008.

(b) Transfer of Pension Assets to Custodians of Trustfund Pensions Plc

The PRA 2004 provided that all pension funds and assets held and managed by NSITF prior to the commencement of the CPS shall be transferred to a PFA (Trustfund Pensions Plc) which shall manage the assets for five years before transferring same to the RSAs of the NSITF contributors. In this respect, significant progress was achieved in 2008 in transferring the accumulated pension assets under the NSITF Scheme to the Management of Trustfund Pensions Plc, which is the PFA established by NSITF. Consequently, assets worth N47.46 billion, had been effectively transferred to Trustfund's PFCs. PenCom and Trustfund Pensions Plc had been liaising with NSITF, Registrars and stockbrokers to ensure the effective transfer of the outstanding assets.

(c) Determination of Liabilities of NSITF Fund

Updating the records of 2.3 million NSITF members' contributions that would be transferred to their RSAs by July, 2009 commenced during the year under review. From an estimated 2.3 million contributors to the NSITF Fund, a data base for 1.44 million contributors was established. As part of the effort to establish the Fund's liabilities, Trustfund Pensions Plc had issued statements of accounts to contributors of the NSITF Fund. In addition, advertisements had been placed in some national dailies in conjunction with Trustfund Pensions Plc requesting contributors to the NSITF Fund to provide any useful information that would facilitate updating their records ahead of the July, 2009 date.

2.1.5 Supervision of Investment of Pension Assets

The review of the investment valuation reports submitted by pension operators continued during the year under review. Reviews were conducted on daily and monthly basis for the daily and monthly valuation reports respectively. The routine reports availed PenCom the opportunity to monitor pension fund investments to ensure compliance with investment and valuation regulations as well as taking prompt corrective actions where necessary.

2.1.6 Maintenance of Data Bank on Pension Matters

One of the statutory functions of PenCom is the establishment and maintenance of a Data Bank on all pension matters in the country. As part of the continuous effort to strengthen the maintenance of a Data Bank on pension matters, the Contributor Registration System (CRS) was deployed in the year 2008. The CRS was designed and developed to accept a minimum set standard of biometric data before generating PINs. The CRS had stabilised after some challenges experienced due to environmental settings by the PFAs and the uploading of biometric data.

2.2 PENSION OPERATORS' FORUM

The monthly Pension Operators' Forum continued during the year. The Forum provided a platform under which views were shared on policy issues affecting the pension industry. This helped in maintaining greater understanding between PenCom and licensed pension operators as well as assisted in nurturing ideas that would ensure the safety of pension assets and the general effectiveness of the industry.



2.3 OTHER ACTIVITIES OF PENCOM

2.3.1 Office of the Commission Secretary/Legal Adviser

In 2008, the Office of the Commission Secretary/Legal Adviser arranged, facilitated and coordinated meetings of the Board and its various Sub-Committees, the Executive Committee (EXCO), Management Consultative Committee (MCC) and other meetings with stakeholders. The management and policy decisions from these meetings were communicated via "Excerpts" to the relevant Divisions, Departments and Units for necessary implementation in addition to the provision of any legal support they required.

The Department was engaged in the review, drafting and vetting of Agreements and other legal instruments between PenCom and its vendors, and among pension operators *inter se*. Aside from handling litigations, notices and court processes served on PenCom, the Department also liaised with external solicitors to resolve pending claims and monitored pending litigations. In a similar manner, the Department supported the effort of State Governments in the country on the adoption of the CPS through comprehensive reviews of pension legislations of each state. The Department also rendered advice and attended meetings with officials of State Governments in charge of pension matters.

2.3.2 Internal Audit Department

The Internal Audit Department conducted prepayment and post payment audit of all financial transactions and the routine checking and verification of PenCom assets. The Department also monitored the security systems put in place to ensure that the assets were not exposed to undue risk. Other activities carried out by the Department included conducting the quarterly review of financial statements prepared by Finance Department to ensure that the accounting statements were in accordance with accounting policies and standards as well as verifying the accrued rights/contributions of workers to their respective RSAs as computed by the National Databank Department.

2.3.3 Communications and Public Affairs Department

The Department fostered cordial relationship with the media by ensuring full coverage of PenCom's activities and sustaining its good corporate image as well as promoting enlightenment campaigns through both the print and electronic media. The Department also facilitated the placement of advertisements and public notices in both the print and electronic media.

2.3.4 Management Services Department

The Management Services Department continued to provide human, material and other logistics support for the smooth operations of PenCom as well as facilitated the harmonization of its procurement policy in line with the Public Procurement Act of 2002 to ensure compliance with due process in all procurement activities.

Also, as a result of the collaborative agreement with the West African Institute for Financial and Economic Management (WAIFEM), five (5) staff attended four (4) training programmes organized by WAIFEM in Nigeria in 2008. A total of 181 out of the 185 staff of PenCom attended 407 local training programmes, while 37 staff attended



63 overseas courses. This was a demonstration of PenCom's commitment to continuous capacity building of its staff and indeed that of the pension industry.

2.3.5 Information Technology Department

The Information Technology Department continued to play a vital role in the realization of the mandate of PenCom to maintain a National Data Bank on pension matters in the country. To this end, the Department facilitated the design and implementation of state-of-the-art ICT facilities, enhanced connectivity with the licensed pension operators and implemented PenCom's CRS Application.

Furthermore, given that PenCom runs an automated system, the Department provided IT support services to all Departments, such as the provision of Internet and Intranet facilities that enhanced communication and data exchange among the Departments.

2.3.6 Finance Department

A major function of the Finance Department is the maintenance of complete, accurate and reliable financial records of PenCom as well as managing the funds of the Commission. In discharging this mandate, the Department prepared the budget for 2008, which was submitted to and approved by the Board in compliance with Section 24 of the PRA 2004. Similarly, during the year, the Department initiated the re-engineering of the budget process to ensure greater efficiency and effectiveness as well as the remittance of pension contributions of FGN employees to the appropriate PFCs. The Department also facilitated the external audit of 2007 Statement of Accounts.

2.3.7 National Data Bank Department

The National Data Bank Department is charged with the responsibility of establishing and maintaining a comprehensive and up-to-date database on all pension matters including the registration of all contributing employees. Within the year, the Department generated 141,359 employer codes to enable PFAs generate PINs for employees of private sector organisations that commenced implementing the CPS. Furthermore, the Department transferred the pension contributions of FGN employees into their respective RSAs as well as carried out the verification, validation and remittance of accrued benefits, for services rendered under the old scheme, into the RSAs of FGN employees who retired in 2008.

The Department also computed the severance benefits of 44,180 disengaged employees of Federal Government Parastatals and that of 45,170 disengaged employees of MDAs. Thus, the cumulative number of disengaged employees whose benefits were computed was 89,350 as at 31 December, 2008.

2.3.8 Policy and Regulation Department

During the year 2008, the Department drafted and issued two (2) additional guidelines, three (3) Codes and four (4) Circulars to guide pension operators in the implementation of the CPS. Other activities carried out by the Department in the period under review included following up on pensioners complaints with the Pension Departments in the public sector; and the constitution of an inter-departmental Committee comprising representations from each of the Pension Departments whose activities culminated in the development of a draft guideline for operations of the Pension Departments.



Furthermore, in order to encourage greater buy-in and adoption of the new CPS, the Department initiated and coordinated courtesy visits to the Governors of the 36 States of the Federation. The visits provided insights into the implementation efforts of the CPS by the State Governments and proffered suggestions on how to encourage buy-in by the States. By the end of 2008, 10 State Governments had passed laws adopting the CPS while 12 States had prepared and presented bills to their respective Houses of Assembly. In addition, while 9 State Governments were at various stages of legislation to introduce the CPS, 5 States were yet to commence any action.

The Department also coordinated the Phase I of the verification of pensioners of the FGN Parastatals who retired under the Unified Pension Scheme. The exercise, which covered 145 parastatals under the Ministries of Health and Education (including Federal Universities), was supervised by PenCom in conjunction with the Budget Office of the Federation, Office of the Auditor General of the Federation and Office of the Accountant General of the Federation. The objectives of the exercise were to ascertain the exact number of pensioners and the quantum of benefits owed the pensioners of the concerned Parastatals.

2.3.9 Resolution and Enforcement Department

The Department implemented various strategies to ensure compliance by both private and public sector organisations, which included public enlightenment, on-site inspection of employers and application of sanctions. Steps had been taken by the Department to further improve on the level of compliance by all employers and employees covered by the CPS.

2.3.10 Surveillance Department

During the year under review, the Department conducted routine and maiden examinations of pension operators and evaluated applications for licences by prospective organisations. The examinations were risk-based such that significant risks associated with activities and challenges of operators as well as mitigants to such risks were identified. Operators were made fully aware of these risks and were supported in using the mitigants effectively. The Department also organised consultative meetings with pension operators in furtherance of the need to maintain the consultative philosophy of PenCom.

2.3.11 Research and Corporate Strategy Department

The Research and Corporate Strategy Department coordinated the development of a Corporate Strategy Plan for PenCom during the year under review. The development of the Corporate Strategy Plan was to enable the re-positioning of the regulator and the entire pension industry in the light of new challenges and the dynamics of the Nigerian economy in general.

A major activity of the Department in 2008 was the production of the 2007 Annual Report. The Department also conducted reviews of the pension industry and provided technical support to other Departments. Similarly, the Department maintained the pension industry records; presented papers at enlightenment and public education seminars; drafted position papers for the executive management; and served as the Secretariat for SERVICOM activities in PenCom. PenCom's Ministerial SERVICOM Unit (MSU) was adjudged the best in the country in year 2008.



2.3.12 Risk Management Department

The Department conducted the review of periodic valuation reports submitted by pension operators on the investment of pension funds to ensure compliance with the regulations on investment and valuation of pension fund assets. Similarly, the Department carried out a review of the Regulation on Investment of Pension Fund Assets based on market realities and the need to further hedge against inherent risks. This enhanced per issue and per issuer exposure of pension funds to certain investment outlets based on credit ratings. Implementation of the revised Regulation had already commenced during the year under review.

The Department drafted the Guideline on Retiree Fund that would allow retiree assets to be invested in fixed income instruments only as well as participated in drafting the Regulations on Annuity that was jointly developed by PenCom and the National Insurance Commission (NAICOM) that was scheduled to be issued in 2009.

2.3.13 Sensitization Seminars/Workshops and Public Enlightenment

As part of the public awareness and education on the workings of the CPS, various seminars, workshops and conferences were organised by PenCom or in conjunction with some public and private sector organisations. The sensitization activities included the following:

- (i) Interactive session with the Central Working Committee of the NLC on how to enhance compliance with the PRA 2004. The session provided an opportunity to discuss the challenges and concerns that might be peculiar to members of the NLC;
- (ii) Workshop on the implementation of the Regulation on the Administration of Retirement/Terminal Benefits;
- (iii) Compliance Officers' Workshops;
- (iv) Sales Agents Workshops; and
- (v) Fifty-five other sensitization seminars, workshops and conferences across the country.

2.3.14 Collaboration with National Accounting Standards Board

Collaboration efforts with National Accounting Standards Board (NASB) continued in the efforts to develop accounting and financial reporting standards for the pension industry. Already, the International Accounting Standard (IAS) 26 had been reviewed and would be adopted into the revised Statement of Accounting Standards (SAS) 8. Similarly, Parts I and II of the NASB adopted exposure draft 31 had been reviewed and would be incorporated into the Statement of Recommended Practice for Public Sector Pension.

2.3.15 Bond Market Steering Committee

PenCom had actively participated in the Bond Market Steering Committee that had been working to ensure speedy development of the Nigerian Bond Market. The



Committee made various recommendations that included the following:

- a) State Government and Corporate bonds should be granted same/similar concessions as FGN bonds through tax waivers.
- b) Transaction costs in the bond market should be reduced.

Some of these recommendations are already receiving positive consideration from the relevant authorities and agencies.

2.3.16 Presidential Committee on Affordable Housing

Membership was maintained in the Presidential Committee on Affordable Housing and the Implementation Sub-Committee. The Committee had presented its report and recommendations to Mr. President during the year, in which it recommended, among others, a National Housing Policy.

The Implementation Sub-Committee drew up the implementation work plan for the purpose of implementing the recommendations of the main Committee. These recommendations had already spurred various initiatives by the Federal Government and its relevant agencies in the area of land reforms amongst others.

2.3.17 Financial Services Regulation Coordinating Committee

PenCom also participated in the activities of the Financial Services Regulation Coordinating Committee (FSRCC), which was resuscitated during the year. The FSRCC is the inter-agency body dealing with matters of common interest to regulatory and supervisory authorities in the Nigerian Financial Services Industry.

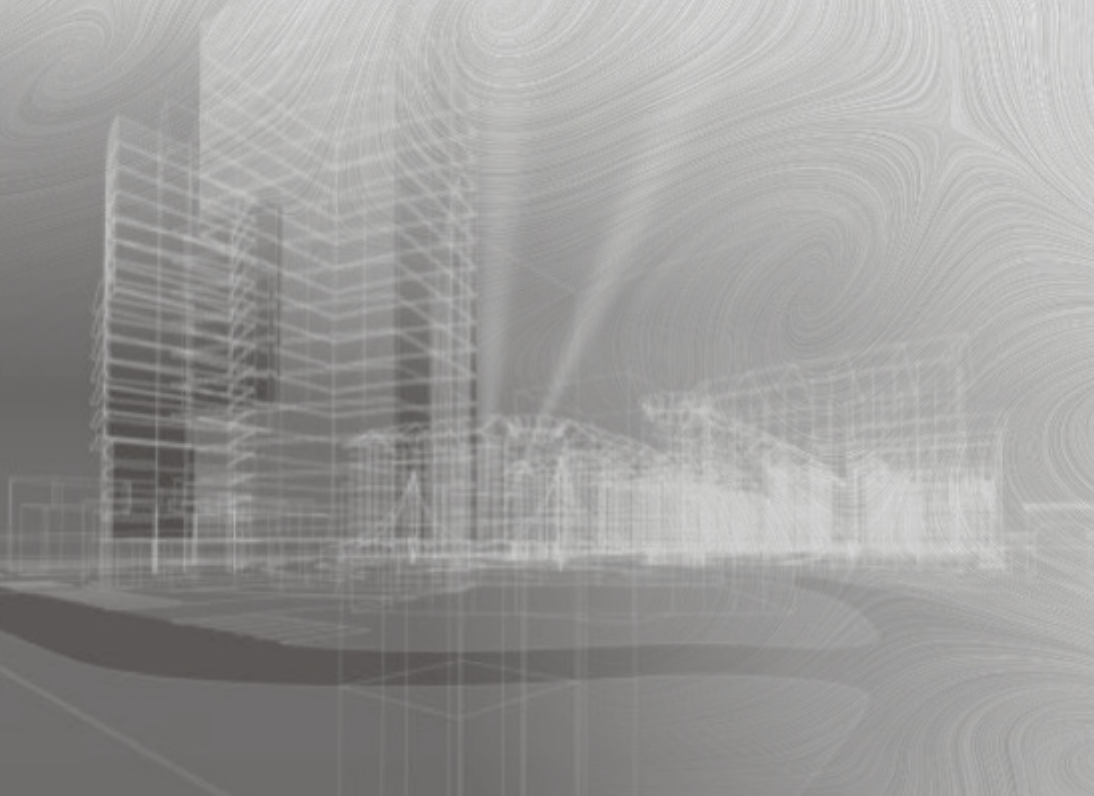
2.3.18 Membership of Professional Organisations

Membership was maintained in two international pension supervisory associations, International Social Security Association (ISSA) and International Organisation of Pension Supervisors (IOPS). The membership had accorded PenCom the opportunity to benefit from the various supervisory and regulatory experiences of other members of the two associations particularly, in the establishment of standards for regulation and supervision of the pension industry; issues of policy and research; data collection and analysis; and capacity building.



PART 3

The Pension Industry



THE PENSION INDUSTRY

3.1 THE OPERATING ENVIRONMENT

The global economic meltdown, which manifested in the year and its adverse consequences on the Nigerian economy, posed serious challenges to the pension operating environment as the Nigerian capital market came under continuous stress with decline in stock prices throughout the year.

3.1.1 Macroeconomic Developments

The global economic and financial crisis notwithstanding, Nigeria witnessed a growth rate of 6.77 percent in 2008, which reflects a marginal increase of 0.37 percent against the growth rate of 6.40 percent recorded in 2007. That was a positive development for the pension industry because growth in economic activities is expected to drive other fundamentals that would propel the growth of the pension industry.

However, the inflationary pressure as witnessed between June and December 2008 was a major challenge to retirement benefits and investment of pension assets. The inflation rate of 15.1 percent had negatively affected the rate of return on pension fund investment. The high rate of inflation also manifested in real high prices of both food and non-food items during the year, thus generally reducing the purchasing power of Nigerian citizens including pensioners.

3.1.2 Developments in the Nigerian Stock Market

The Nigerian capital market, which represents one of the platforms for investing pension funds, was affected by the global economic meltdown beginning from March, 2008. Prior to this period, the Nigerian capital market was highly rated and became quite attractive to investors and speculators because of the magnitude of returns on investment it offered. For example, the All-Share Index, which is one of the measures of stock market performance, steadily increased from 23,844.45 points at the end of December, 2004 to 57,990.22 points by December 2007. Similarly, market capitalization increased from N1.93 trillion at the end of December 2004 to a whopping N10.18 trillion at the end of December 2007 and peaked to about N12 trillion at the end of February 2008. However, from March, 2008 there emerged a stock market meltdown in Nigeria that resulted in a bearish trend in the market for ten consecutive months. The All-Share Index declined to 31,450.78 as at the end of December 2008 while market capitalization closed at N6.96 trillion as at the same period. By the end of December 2008, investors including Pension Funds had experienced an unrealised loss estimated at N3.22 trillion, amounting to about 32 percent erosion in market capitalization from its level at the end of 2007. The consequence of the foregoing was diminishing value in equity investment that resulted in unrealised losses by pension funds.

3.1.3 Developments in the Bond Market

The Federal Government of Nigeria issued five (5) bonds between January and December, 2008, with a total value of about N492 billion out of which pension funds allotment was about N277 billion (about 6 percent). The maturity profiles of the instruments in the portfolio were mainly of three-year, five-year, and ten-year tenors. A twenty-year tenor bond was also issued in November, 2008. The average yields on the three-year, five-year, ten-year and twenty-year tenors ranged between 9 percent and 15 percent. The bond market provides another safe and secured outlet for investing pension funds as the long-term impact of the financial crisis on the bond market appeared negligible.



The Nigerian corporate bond market is virtually non-existent largely due to factors attributed to the non-availability of corporate debt instruments in addition to the high cost of issuing debt and the lack of tax incentives. However, the implementation of some aspects of the recommendations of the Bond Market Steering Committee set-up by the Federal Government had positively affected the Corporate Bond Market with the issuance of a Real Estate Investment Trust (REITs) by a corporate body. Already pension funds had been invested in this instrument.

3.1.4 Developments in the Money Market

The financial system continued to witness market-driven interest rate regime even as the Central Bank of Nigeria applied the Monetary Policy Rate (MPR) as the nominal anchor for all interest rates. The MPR fluctuated throughout the year from 10 percent in January to 10.25 percent and 9.75 percent in June and December respectively. While the average savings deposit rate was about 3 percent, the maximum lending rate was about 20 percent thereby creating savings-maximum lending rate spread of about 17 percent in the year. Apart from a scenario of disincentive to savings, the real sector of the economy was also affected by high cost of borrowing that tended to affect the level of business expansion and profitability. High cost of funding in the real sector could dampen economic activity, and hence lead to fall in the rate of compliance with the CPS by employers.

The money market equally faced serious challenges in 2008 as most of the rates offered in the market were well below the rate of inflation. For example, while the inter-bank offer rate (NIBOR), which fluctuated throughout the year was 14 percent, the average term-deposit rate was 11 percent in year 2008. Thus, with inflation rate at 15 percent in December 2008, the inter-bank offer rate, savings deposit rate and average term-deposits rate were negative in real terms. That was the condition under which pension fund assets were invested in money market instruments in the year.

3.2 ISSUANCE OF LICENCE

In 2008, a licence each was granted for PFA, PFC and CPFA as well as an approval for continuation of an Existing Scheme. This brought the total number of licensed pension operators to 38 as at 31 December, 2008 while cumulatively, 19 existing schemes were approved for continuation as at the same date. The breakdown of these licences and approvals is given in Table 3.1.

Table 3.1: Licences Issued and Approvals Granted

Type	Number of Licences/Approvals granted			
	2006	2007	2008	Total
Pension Fund Administrators	13	12	1	26
Pension Fund Custodians	4	-	1	5
Closed Pension Fund Administrators	4	2	1	7
Approved Existing Schemes	6	12	1	19
Total	27	26	4	57

A comprehensive list and contact details of the licensed operators is provided in part five of this Report.

3.3 REGISTRATION OF CONTRIBUTORS

The public sector maintained the lead in the number of RSA registrations. However, the rate of registration was higher in the private sector due to the enhanced compliance by employers in this sector. For example, the rate of compliance increased from 8,080 employers as at 31 December 2007 to 149,439 employers as at the end of 2008. This, no doubt, had contributed immensely to the number of private sector employees that opened RSAs in 2008. On the other hand, not much had changed in the membership of CPFA and AES Schemes as the respective schemes were exclusive to only employees of the sponsoring organisations.

3.3.1 Membership of RSAs

Total RSA registration by PFAs for both the public and private sectors was 3,467,856 as at 31 December 2008, which showed an increase of 924,678 (36.4 percent) over the 2007 figure. The public sector accounted for 2,201,337 (63.5 percent) of the total registration while the private sector accounted for 1,266,519 (36.5 percent), which represented increases of 25.64 percent and 60.19 percent respectively over their levels in 2007. A comparative breakdown of the registration figures is shown in Figure 3.1.

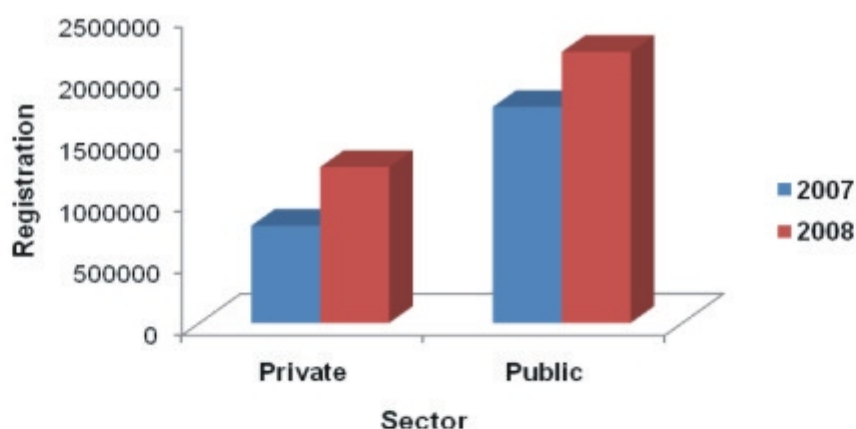


Figure 3.1: RSA Registration by Sector

The chart reveals more compliance by the private sector as average monthly growth rate of registration in that sector was 5.27 percent in 2008, which was relatively higher than the average growth rate of 3.04 percent in the public sector over the same period. However, the growth rate was below the 2007 rates of 5.74 percent and 5.76 percent recorded by the private and public sectors respectively.

Table 3.2 shows a further breakdown of the registration figures by gender indicating that male RSA holders were still higher than their female counterparts. Similarly, the male RSA holders had grown by 39.73 percent during the year while female RSA holders grew by 28.32 percent.

Table 3.2: RSA Registration by Age Grouping in 2008

Age Range	Public Sector		Private Sector		Total		Grand Total	
	Male	Female	Male	Female	Male	Female	Number	Percentage
Less than								
30 yrs	271,918	100,107	245,960	92,824	517,878	192,931	710,809	20.50
30 - 40 yrs	483,129	243,582	400,341	119,135	883,470	362,717	1,246,187	35.94
41 - 50 yrs	460,140	242,938	235,001	43,878	695,141	286,816	981,957	28.32
51 - 60 yrs	264,334	101,289	94,421	9,932	358,755	111,221	469,976	13.55
61 - 65 yrs	23,046	4,830	13,684	2,008	36,370	6,838	43,568	1.25
Above 65 yrs	6,788	1,685	5,660	1,227	12,448	2,912	15,360	0.44
Total	1,509,355	694,431	995,067	269,004	2,504,422	963,435	3,467,857	100.00

The table also shows that about 85% of the RSA holders were aged 50 years and below, thus, the industry assets would increase in terms of size and value as these RSA holders continue to make contributions while they remain in employment. Similarly, as this class of RSA holders may not retire until the next 5 to 10 years and more, most of them would access their retirement benefits after partial or full recovery of the capital market, thus minimizing the impact of the meltdown on their benefits. However, it will be seen from the table that the number of contributors with 40 years or less had dwindled by 0.56 percent below the level in 2007 indicating a slight move of contributors towards higher age brackets and hence towards retirement. In particular, age brackets "51 – 60 years" and "61 – 65 years" had increased by 1.38 percent and 0.7 percent above their levels in 2007 respectively. Similarly, age bracket "above 65 years" increased by 0.1 percent. Thus, the number of contributors above 40 years constituted 43.56 percent, which was slightly higher than the 43 percent recorded in 2007. The gradual movement of registered contributors towards retirement is a signal that eventual access to retirement benefits would increase.

The number of RSA holders is expected to increase as more private sector employers implement the CPS. Also, the recently Promulgated Public Procurement Act that requires potential contractors to show evidence of pension compliance would compel some employers, especially in the private sector, to embrace the laudable CPS thereby increasing the number of registration.

3.3.2 Membership of CPFAs and AES

The total members of the seven (7) licensed CPFAs and nineteen (19) AES were 26,026 and 41,134 as at 31 December, 2008 respectively. The breakdown of the CPFA and AES members is presented in Tables 3.3 and 3.4 respectively and they remained the staff and pensioners of the organisations sponsoring the schemes.

Table 3.3: Membership of CPFAs in 2008

Enrolment Type	Total	Percentage (%)
Active Members	20,692	79.51
Current Pensioners	5,208	20.01
Deferred Pensioners	126	0.48
Total	26,026	100.00

Note: Deferred pensioners are pensionable retirees who are not eligible to start drawing pension until they reach a certain age in accordance with scheme rules.

Table 3.4: Membership of AES in 2008

Enrolment Type	Total	Percentage (%)
Active Members	25,150	61.14
Current Pensioners	14,601	35.50
Deferred Pensioners	149	0.36
Dependants	1,234	3.00
Total	41,134	100.00

Note: Dependants are protégés of deceased pensioners.

3.4 PENSION CONTRIBUTIONS

The total pension contributions by RSA holders as at 31 December 2008 stood at N429.36 billion. This is made up of N257.18 billion (59.90 percent) public sector pension contributions and N172.18 billion (40.10 percent) private sector pension contributions as shown in Tables 3.5 and 3.6 respectively.

Table 3.5: Public Sector Pension Contributions

Year	Amount (N billion)	Percentage of Total (%)
2004	15.60	6.07
2005	34.68	13.48
2006	37.38	14.53
2007	70.25	27.32
2008	99.28	38.60
Total	257.19	100

The public sector contribution included N5.72 billion and N17.52 billion made by the States and self-funding FGN agencies respectively. Table 3.5 further revealed that year 2008 accounted for the highest public sector pension contributions since inception, accounting for 38.60 percent of total public sector pension contributions to date. This could be attributed to the payment of contribution arrears as a result of the increase in the salaries of the FGN employees. The average monthly pension contribution for the public sector was N8.27 billion during the year compared with N5.85 billion in 2007.

Table 3.6: Private Sector Pension Contributions

Year	Amount (N billion)	Percentage of Total (%)
2004	-	-
2005	-	-
2006	23.03	13.37
2007	68.34	39.69
2008	80.81	46.93
Total	172.18	100

The private sector pension contribution amounted to N80.81 billion during the year bringing the cumulative total pension contribution to N172.18 billion as at 31 December 2008. This showed an increase of 18.25 percent over the pension contributions in the preceding year. The sector recorded a 32.7 percent increase in average monthly pension contribution from N5.70 billion in 2007 to N6.73 billion in the year under review. This further attested to improvement in the level of compliance by the private sector.

3.5 INVESTMENT OF PENSION FUNDS

3.5.1 Industry Portfolio Analysis

Based on the un-audited valuation reports of the RSA, CPFA and AES funds submitted to PenCom, the total pension assets under the management of PFAs and CPFAs was N1,098.98 billion as at 31 December, 2008. This is made up of N471.76 billion (42.93 percent) RSA assets, N294.62 billion (26.81 percent) CPFA assets and N332.61 billion (30.27 percent) AES assets.

The value of total pension fund assets grew by 34.81 percent, from N815.18 billion as at 31 December 2007 to N1,098.98 billion as at 31 December 2008 as shown in Table 3.7. The values of RSA and CPFA Funds increased significantly by 69.52 percent and 45.39 percent respectively while AES Funds declined in value by 0.49 percent during the review period following their level of exposure to equities, which declined in 2008 due to the economic meltdown.

The pension assets were spread over seven (7) main asset classes, namely: Ordinary Shares; Government Securities; Money Market Instruments; Corporate Debt Securities; Mutual Funds; Real Estate; and Unquoted Securities. The portfolio is presented in Table 3.7 hereunder.

Table 3.7: Portfolio of Pension Assets under Management

Asset Class	2008		2007	
	Amount (N billion)	Percent	Amount (N billion)	Percent
Ordinary Shares	222.77	20.27	243.44	29.86
Federal Government Securities	350.82	31.92	279.74	34.32
Corporate Debt Securities	15.12	1.38	0.24	0.03
Money Market Instruments	349.69	31.82	186.01	22.82
Mutual Funds	9.03	0.82	4.46	0.55
Real Estate Property	125.13	11.39	79.08	9.70
Unquoted Securities	6.86	0.62	4.43	0.54
Others	19.57	1.78	17.79	2.18
Total Pension Assets	1,098.99	100.00	815.19	100.00

The changes recorded during the year were significant not only in the total assets but in the composition of the portfolio as well. This can be noted in ordinary shares and FGN securities that dropped in their percentage shares from 30 percent in 2007 to 20 percent and from 34 percent to 32 percent respectively. Meanwhile, Money Market Instruments and Corporate Debt Securities had their percentage shares increased from 23 percent in 2007 to 32 percent and from 0.03 percent to 1.38 percent respectively. The changes are presented in Figure 3.2 below.

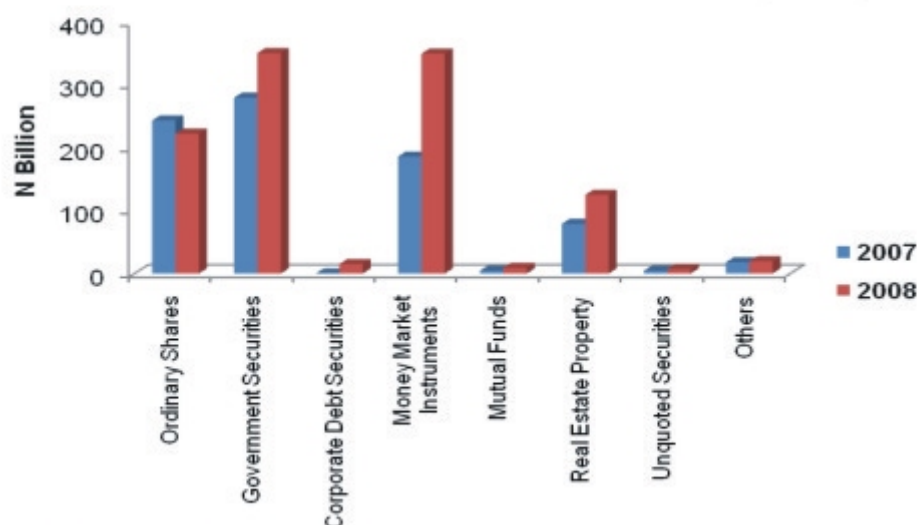


Figure 3.2: Portfolio of Pension Funds

The exposure of pension funds (in both equities and money market instruments) to the banking sub-sector as shown in Table 3.8 amounted to N430.98 billion, which is equivalent to 39.22 percent of total pension fund assets and the highest amongst all sub-sectors. This was followed by Beverages, N42.44 billion (3.86 percent); and Petroleum Marketing, N15.68 billion (1.43 percent). The table portends a concentration risk in the banking sub-sector.

Table 3.8: Pension Fund Investments in Major Sub-Sectors as at 31 December, 2008

SECTORS	Ordinary Shares	Money Market Instruments	Total	
	Amount (N billion)	Amount (N billion)	Amount (N billion)	% of Total Pension Assets
Banking	121.71	349.69	471.40	42.89
Food/Beverages/Tobacco	42.44	-	42.44	3.86
Petroleum Marketing	15.68	-	15.68	1.43
Conglomerates	10.13	-	10.13	0.92
Insurance	9.52	-	9.52	0.87
Building Materials	4.99	-	4.99	0.45
Real Estate	4.81	-	4.81	0.44
Total	209.28	349.69	558.97	50.86

The economic meltdown adversely affected the Nigerian Capital Market leading to depreciation of 45.77 percent and 31.66 percent in the Nigerian Stock Exchange (NSE) All Share Index and market capitalisation respectively in 2008. This invariably affected the Nigerian pension industry leading to unrealised losses of N33.02 billion, which is equivalent to 7 percent of the total RSA pension assets under the management of PFAs as at the end of 2008. This performance was however, relatively better when compared with results reported by Pension Funds in some Latin American and European countries in which losses ranged from 30 percent to 50 percent. In addition, there was growing significance as percentage of the pension assets to GDP (determined at market prices) had grown in the last three years (see Figure 3.3).

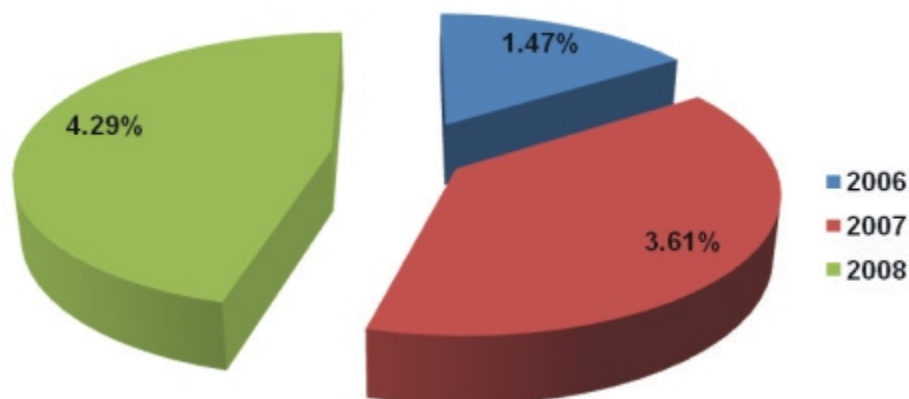


Figure 3.3: Pension Assets as a Percentage of GDP

The figure demonstrates the growing importance of pension funds to national development. It also shows the deepening of the pension industry and its growing capability to provide funding for the real sector and other developmental projects in Nigeria.

3.5.2 RSA Portfolio Analysis

The value of RSA fund assets increased from N278.30 billion as at 31 December 2007 to N471.77 billion as at 31 December 2008, signifying a net growth of N193.47 billion (69 percent). The comparison of the RSA portfolios as at the end of 2007 and 2008 is given in Table 3.9.

Table 3.9: Portfolio of RSA Funds

ASSET CLASSES	2007		2008		Percentage Change
	Amount (N billion)	% of Total	Amount (N billion)	% of Total	
Ordinary Shares	43.39	15.59	43.04	9.12	-0.81
Government Securities	166.61	59.87	263.03	55.75	57.87
Corporate Debt Securities	0.00	0.00	1.07	0.23	100.00
Money market instruments	59.18	21.26	150.30	31.86	153.97
Mutual funds	2.18	0.78	2.71	0.57	23.94
Others	6.94	2.49	11.62	2.46	67.44
Total	278.30	100.00	471.77	100.00	69.52

Government securities had the highest proportion, constituting 56 percent of total RSA assets in 2008 followed by money market instruments with 32 percent in the same year. It was the first time PFAs invested in corporate debt securities, though it accounted for the lowest proportion (0.23 percent) in the year. Ordinary shares was the only asset class that had negative change, which was due to the unrealised losses recorded by this asset class following the effects of the global economic meltdown. The year witnessed a surge in PFA investments in Money Market Instruments and Government Securities as a diversification strategy against the troubled equity investments.

The growth in the RSA assets was mainly accounted for by new contributions of N180.08 billion and returns on investment of N34.68 billion. This was however, depressed by unrealised losses on equity investments due to the economic meltdown. A total of N11.92 billion contributions of FGN employees accumulated during the year but un-remitted was invested by CBN in FGN securities. This un-remitted amount contributed to the growth of total pension assets during the year as shown in Table 3.10.

Table 3.10: Growth of RSA Funds

Factors of Growth	2007 (N billion)	2008 (N billion)
Market Appreciation on Equities/Equity Funds	8.40	(33.21)
Interest Income/Dividends	11.24	34.68
New Contributions ¹	96.74	180.08
Un-transferred Contribution at CBN	39.03	11.92
Total	155.41	193.47

¹: these were contributions remitted into RSAs during the year from both public and private sectors

The quantitative limit of 25 percent on equity investments provided by the Regulations on Investment of Pension Funds had ameliorated the effect of the economic meltdown on pension fund assets in Nigeria. A similar situation was experienced in Germany, which is a major Organisation for Economic Cooperation and Development (OECD) country that adopted a rather safe approach of high allocations in fixed income securities in order to protect their pension assets. In contrast, pension funds in other jurisdictions such as Ireland lost 30 percent of their value in 2008 due to their high exposure (66 percent) to equity investments that were adversely affected by the economic meltdown.

It is important to note that the losses recorded by pension operators on the equity investments were unrealised, which would only become actual losses when the operators dispose of such investments. It is expected that the stock market would rebound within a period of 3 – 5 years, which is the typical cyclical cycle of the stock market, stock prices would appreciate and would lead to recouping all previous unrealised losses.

3.5.3 CPFA Portfolio Analysis

The value of total CPFA fund assets increased by N91.98 billion (45 percent) from N202.63 billion as at 31 December 2007 to N294.61 billion as at 31 December 2008 as shown in Table 3.11. The growth was due mainly to transfers of pension fund assets valued at N67 billion by two newly licensed CPFAs; new contributions/funds injection of N16 billion by scheme sponsors; revaluation of real estate investments amounting to N15 billion; and returns on investment of about N10 billion. However, following the economic meltdown, the growth was moderated by unrealised losses on equity investments amounting to 11.3 percent of the CPFA portfolio value. The huge unrealised loss was due to the relatively high level of exposure of the fund to the stock market beyond the 25 percent limit allowed for RSA funds. The PRA 2004 allowed CPFAs to retain their investment structure and policy and thus not strictly subjected to the guidelines on pension fund investments and the scheme sponsors were also required to finance any funding gap within the period stipulated by the PRA 2004.



Table 3.11: Portfolio of CPFA Funds

Asset Classes	December 2007		December 2008		Percentage Change
	Amount (N billion)	% of Total	Amount (N billion)	% of Total	
Ordinary Shares	58.76	29.00	33.87	11.50	-42.36
Government Securities	49.04	24.20	56.68	19.24	15.58
Corporate Debt Securities	00.00%	0.00	13.14	4.46	100.00
Money market instruments	56.08	27.68	106.12	36.02	89.23
mutual funds	1.85	0.91	3.36	1.14	81.62
Real Estate Properties	28.76	14.19	73.59	24.98	155.88
Unquoted Equities	2.08	1.03	4.45	1.51	113.94
Others	6.06	2.99	3.4	1.15	-43.89
Total CPFA Assets	202.63	100.00	294.61	100.00	45.39

The portfolio of CPFA Funds is composed of seven core asset classes and largely in domestic instruments. However, there were placements in foreign equities and money market instruments totalling N19 billion, which was equivalent to 6.6 percent of the total value of the CPFA Funds. The foreign investments were made prior to the enactment of the PRA 2004 and CPFAs were allowed to maintain such investments in their portfolio. In view of the unrealised losses on equity investments as earlier noted, there was a general "flight from equity investments" and re-direction of investments to fixed income securities particularly, Government Securities (FGN bonds), corporate debt securities, and money market instruments and also real estate.

The CPFA portfolio was adequately diversified as their exposure to the banking sub-sector (both equities and money market instruments), which was the highest, was only 8 percent of the total portfolio value. After a complete divestment from corporate debt securities by the end of 2007, there was reinvestment in these securities in 2008 amounting to 4.46 percent of portfolio value.

Most CPFA Funds that concentrated their investments in money market instruments and FGN Bonds were not only insulated from the high unrealised losses on equity investments but also provided them with higher interest incomes on their fixed income investments. The year-on-year returns of the CPFA Funds were between negative 1.16 percent and 12 percent with an outlier of one CPFA Fund that had negative 59 percent on its existing "Old Fund" due to its huge equity investments.

In respect of CPFA and AES Funds, which are mostly defined benefit schemes, the impact of the meltdown will put additional funding pressure on sponsors/employers, as they will be required to make injection of funds to make up for likely funding gaps due to diminution in the value of pension fund assets of their schemes.

3.5.4 AES Portfolio Analysis

The total value of AES fund assets was N332.60 billion as at 31 December 2008 which depicted 0.50 percent decrease below N334.26 billion as at 31 December 2007. This is highlighted in Table 3.12.

Table 3.12: Portfolio of AES Funds

Asset classes	2007	% of Total	2008	% of Total	Percentage Change
	Amount (N billion)		Amount (N billion)		
Ordinary Shares	141.29	42.27	145.86	43.85	3.23
Government Securities	64.09	19.17	31.11	9.35	-51.46
Corporate Debt Securities	0.24	0.07	0.91	0.27	279.17
Money market instruments	70.75	21.17	93.26	28.04	31.82
mutual funds	0.43	0.13	2.97	0.89	590.70
Real Estate Properties	50.32	15.05	51.54	15.50	2.42
Unquoted Equities	2.32	0.70	2.41	0.72	2.55
Others	4.79	1.43	4.55	1.37	-5.01
Total CPFA Assets	334.26	100.00	332.61	100.00	-0.49

AES fund assets were mainly invested in ordinary shares (43.85 percent); money market instruments (28.04 percent); real estate properties (15.50 percent); and government securities (9.35 percent) as at 31 December 2008. Investments in ordinary shares were spread across 89 quoted companies in 16 sub-sectors of the economy, with the banking sub-sector having 65 percent of the total equity investment which was equivalent to 29 percent of the value of AES fund assets. Equity investments marginally increased by 3 percent over the 2007 figures and had recorded unrealised losses amounting to 27 percent of total AES portfolio value due to the economic meltdown. The losses were due to the investment strategies adopted by the AES Funds following the allowance given to all legacy funds to retain their pre June 2004 investment strategies and policies. However, the attention of the scheme sponsors had been drawn on the need for proper diversification of their portfolios particularly considering the unrealised losses incurred following the global economic meltdown.

Investments in government securities declined by 51 percent due to portfolio restructuring and enhancement of investments in money market instruments, which offered higher returns on investment. This was done to cushion the effect of the stock market downside on the portfolios as well as enhance total returns on investment. Money market investments were in 17 banks and 5 discount houses. Based on investors' renewed interest in money market securities, coupled with the competitive rates being offered, there was a 32 percent increase of investments in money market securities.

As a result of investing heavily in equities (amounting to an average of 60 percent of their portfolios¹), AES Funds had year-on-year rates of return ranging from -38 percent to 0.58 percent. Thus, the interest income earned could not absorb the huge unrealised losses on equity investments arising from the stock market decline.

¹ The CPFAs and AES were allowed to maintain the limits of their legacy investments as at 28 February, 2006.

3.5.5 Costs to the Pension Funds

A total of N16.13 billion was charged on the pension funds in 2008. This comprised N2.25 billion (13.95) administrative fees, N12.99 billion (80.53 percent) asset based fees and N0.89 billion (5.52 percent) transaction costs. Table 3.13 further reveals that the total charges represented 1.47 percent of the total pension assets as at 31 December, 2008. This indicated that although maximum charge of 2.8 percent was allowed on total pension assets per annum, the methodology adopted by PenCom which involved charging the asset based fees on daily basis for RSA funds and monthly on CPFA and AES funds had resulted in huge savings (1.33 percent) for members of the three schemes. The regulatory fees were reduced to encourage operators reduce their management fees accordingly.

Table 3.13: Charge to Pension Fund Assets

Costs	RSA (N billion)	CPFA (N billion)	AES (N billion)	Total (N billion)
Administrative fees	2.25	-	-	2.25
Asset Based Fees	7.06	1.21	4.72	12.99
Transaction cost	0.44	0.16	0.29	0.89
Total	9.75	1.37	5.01	16.13
Total as % of Total Pension Assets	0.89	0.12	0.46	1.47

3.6 ADMINISTRATION OF RETIREMENT BENEFITS

A total of 5,124 RSA retirees were receiving their retirement benefits by Programmed Withdrawals as at 31 December, 2008. This figure was made up of 47 retirees that started receiving their retirement benefits in 2007 and 5,077 retirees that retired in 2008. Their cumulative withdrawals, both lump sum and monthly withdrawals from July 2007 to December 2008, stood at N13.65 billion with total average monthly withdrawals of N187.76 million in the period. The breakdown of the retirees by gender and sector is presented in Table 3.14.

Table 3.14: Number of Retirees on Programmed Withdrawal

Sector	Male	Female	Total	Percentage of Total
Public	4,106	827	4,933	96.27
Private	172	19	191	3.73
Total	4,278	846	5,124	100.00

There were additional requests totalling 1,899, which were received and approved during the period under review for the lump-sum payment of 25 percent of their RSA balances. These payments were approved for persons who could not secure new employments 6 months after leaving their last jobs.

The payment of retirement benefits were effected through the designated bank accounts of the respective retirees. The PFAs gave standing payment instructions to the PFCs to pay the lump-sum amounts and the monthly withdrawals into these designated accounts. These mandates are renewable annually and had ensured that the retiree got his/her monthly pension promptly through his bank account, thus, ensuring effective payment of benefits as and when due in line with one of the cardinal objectives of the CPS.

PenCom had introduced "RSA Retiree Fund" (effective 2009) into which the retirees' RSA balances would be transferred. The fund is to be solely invested in fixed income securities, namely, money market and bond instruments. The essence was to ensure that the assets due to retirees are not invested in variable income securities such as equities, thereby insulating the retiree assets from the vagaries of the stock market.

3.7 PAYMENT OF DEATH BENEFITS CLAIMS

Before the commencement of the implementation of the policy by the Federal Government, PenCom had been processing the claims of the deceased FGN employees which were submitted directly by the MDAs. As at 31 December, 2008, 1,650 death benefit claims had been processed, which were forwarded to the Budget Office in the Federal Ministry of Finance for payment. However, with the expected implementation of the Life Insurance Policy by the Office of Head of Civil Service of the Federation with effect from January, 2009, PenCom would cease from processing of death benefits claims.



PART 4

Statement of Accounts



STATEMENT OF ACCOUNTS

AS AT 31 DECEMBER, 2008

4.1 AUDITOR'S REPORT

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NATIONAL PENSION COMMISSION

We have audited the financial statements of PenCom as at 31 December 2008, set out on pages 2 to 13 which have been prepared on the basis of the significant accounting policies on pages 2 and 3, and other explanatory notes on pages 7 to 11.

PenCom's responsibility for the financial statements

PenCom is responsible for the preparation and fair presentation of these financial statements in accordance with Section 25 of the Pension Reform Act, 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment on risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors' consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by PenCom, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, PenCom has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by Section 25 of the Pension Reform Act, 2004. The financial statements give a true and fair view of the financial position of PenCom as at 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with Section 25 of the Pension Reform Act, 2004.

Akintola Williams Deloitte

**Chartered Accountants
Abuja, Nigeria
9 June 2009**



Audit.Tax.Consulting.Financial Advisory

**Member of
Deloitte Touche Tohmatsu**



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER, 2008

4.2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted in the preparation of these financial statements:

(a) Basis of accounting

The accounts are prepared under the historical cost convention.

(b) Income recognition

■ Investment income

Investment income on Government Securities and short term placements are recognised on accrual basis.

■ Budgetary receipts

Receipts from Federal Government are accounted for on modified cash basis.

■ Fees and commissions

Asset based fees

Asset based fees are charged by PenCom on Pension Fund Assets. The Commission charges 0.3% on Retirement Savings Accounts and 0.2% on Closed Pension Fund Administration and Approved Existing Schemes Funds.

(c) Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

(d) Depreciation

Depreciation is provided to write off the cost of fixed assets in equal annual instalments over their estimated useful lives at the following annual rates:

		%
Motor vehicles	-	25
Furniture and fittings	-	15
Computer equipment	-	33.33
Office machines	-	25
Plant and machinery	-	20

(e) Foreign exchange transactions

Transactions in foreign currencies are recorded in Naira at the rates of exchange ruling at the time they arise.

Assets and liabilities existing in foreign currencies are converted to Naira at the foreign exchange market rates ruling at the balance sheet date. Gains or losses arising on translation are recorded in the revenue and expenditure account.



(f) Retirement benefits

Arrangement for retirement benefits for members of staff is based on the provisions of the Pension Reform Act, 2004. PenCom and employees contribute between 22.5% and 37.5% of basic, housing and transportation to the scheme. Membership of the scheme is automatic upon resumption of duties with PenCom.

Provision for staff retirement benefits are computed and charged to income and expenditure account.

(g) Provision

Provision is recognised when PenCom has a present obligation, whether legal or constructive as a result of a past event for which it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.



STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 DECEMBER, 2008

4.3 STATEMENT OF INCOME AND EXPENDITURE

	Note	2008 N'000	2007 N'000
Income			
Budgetary Receipt	2	210,000	396,780
Fees and commissions	3	2,045,458	1,536,085
Investment Income	4	29,609	28,363
Other Income		6,813	10,298
Expenditure		2,291,880	1,971,526
Administrative expenses		(2,439,908)	(1,583,617)
Depreciation of fixed assets		(272,245)	(118,962)
(Deficit)/surplus for the year	13	(420,273)	268,946

The accounting policies on pages 2 and 3 and other explanatory notes on pages 7 to 10 form an integral part of these financial statements.



BALANCE SHEET

AS AT 31 DECEMBER, 2008

4.4 STATEMENT OF ASSETS AND LIABILITIES

	Note	2008 N'000	2007 N'000
Assets employed			
Fixed assets	7	1,630,339	1,362,961
Current assets			
Stocks	8	14,140	4,978
Debtors and employment	9	297,933	551,085
Bank and Cash	10	11,722	495,974
		323,795	1,052,037
Current Liabilities			
Amounts falling due within one year			
Creditors	11	215,350	255,941
Net Current assets		108,445	796,096
Total assets less current liabilities		1,738,784	2,159,057
Financed by:			
General reserve fund	13	102,608	522,881
Capital grant	14	1,636,176	1,636,176
		1,738,784	2,159,057
Contingent assets/liabilities			
Contingent liabilities and other obligations on behalf of Federal Government of Nigeria and its employees	16	151,260,549	155,037,214

The financial statements on pages 2 to 13 were approved by the Board of PenCom on 9 June, 2009 and signed on it behalf by:



Chief Oluwale A. Adeosun OON, FCA



Muhammad K. Ahmad

} Directors

The accounting policies on page 2 and 3 and other explanatory notes on pages 7 to 11 from an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2008

4.5 NOTES TO THE FINANCIAL STATEMENTS

1. PenCom

(a) Legal form

The National Pension Commission was established by the Pension Reform Act, 2004 and commenced operations in September 2004.

(b) Principal activities

The principal activities are to regulate, supervise and ensure the effective administration of pension matters in Nigeria.

2. Budgetary receipt

This represents annual grant from government for operational expenses to supplement the internally generated revenue.

3. Fees and commissions

Application and licensing fees
Supervisory fees,
levies and penalties

2008
N'000

2007
N'000

17,500

51,000

2,027,958

1,485,085

2,045,458

1,536,085

4. Investment income

Interest on bank placements

26,609

28,363

5. Surplus charging:

Depreciation
Auditors' remuneration

118,962
4,500

118,962
4,500

6. Taxation

No provision is made in these financial statements for taxation. The Directors are of the view that no liability will crystallise in future on account of Corporate taxes.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2008

7. Fixed assets

	Land & buildings N'000	Motor vehicles N'000	Office equipment N'000	Computer Equipment & software N'000	Plant & machinery N'000	Furniture Fittings & N'000	Total N'000
Cost							
Balance, beginning of year	1,022,031	73,618	57,552	276,702	19,100	126,211	1,575,214
Additions	69,758	22,667	4,456	427,360	13,924	3,597	541,762
Adjustments	-	-	(1,546)	(840)	(356)	-	(2,742)
Balance, end of year	1,091,789	96,285	60,462	703,222	32,668	129,808	2,114,234

Accumulated depreciation

Balance, beginning of year	19,858	29,885	32,860	84,062	6,971	20,555	212,252
Charge for the year	21,530	18,061	14,829	192,396	5,439	19,174	272,245
Adjustments	-	-	(119)	(193)	(290)	-	(602)
Balance, end of year	41,388	66,823	47,570	276,265	12,120	39,729	483,895

Net book value

At 31 December, 2008	1,050,401	29,462	12,892	426,957	20,548	90,079	1,630,339
At 31 December, 2007	1,002,173	25,672	24,692	192,639	12,129	105,656	1,362,961

Adjustment represents fixed assets lost to fire outbreak in PenCom during the year

8. Stocks

Stocks of stationery

2008 N'000	2007 N'000
14,140	4,978

9. Debtors and prepayments

Asset based fee debtors
Staff Debtors
Prepaid insurance
Other debtors

158,070	343,554
120,997	174,272
8,312	2,222
10,554	31,037
297,933	551,085

10. Bank and cash

Guaranty Trust Bank Plc
Zenith Bank Plc
Union Bank of Nigeria Plc
UBA Plc
Cash at Hand

5,917	191,697
3,837	302,607
698	-
270	270
1,000	1,400
11,722	495,974



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2008

11. Creditors

Creditors and accruals
Retirement benefits
Dedicated funds
Other credit balances

2008
N'000

2007
N'000

11,234
85,334
61,841
56,941

10,875
109,048
109,048
26,970

215,350

255,941

Dedicated fund represent funds received from Federal Government of Nigeria to cater for expenses associated with the issuance of bonds and terminal benefits. PenCom invests these funds in interest yielding fixed deposit account, interest received thereon is credited to the account..

12. Pension

Balance, beginning of year
Charge to income and expenditure
Payments in the year
Balance, end of year

-

12,851

118,648

40,760

(118,648)

(53,611)

-

-

13. General reserve fund

Balance, beginning of year
(Deficit)/surplus for the year
Balance, end of year

522,881

253,935

(420,273)

268,946

102,608

522,881



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2008

	2008 N'000	2007 N'000
14. Capital grant		
Balance, beginning of year	1,636,176	434,976
Transfer from income and expenditure	486,864 (486,864)	1,201,200 -
Balance, end of year	1,636,176	1,636,176
This represents funds released to PenCom to augment cost of acquisition of and buildings and acquisition and implementation of information and communication technology		
15. Contingent assets/liabilities (Fiduciary funds)		
PenCom holds the following funds on behalf of the Federal Government of Nigeria and its employees.		
a. Contributory Fund Account	110,915,399	110,915,399
b. Retirement Benefits Bond Redemption Fund	33,894,229	44,121,815
	151,260,549	155,037,214

This represents Federal Government of Nigeria employees' and employers' pension contributions and held in CBN in trust for the beneficiaries by PenCom pending determination of amount due to employee of the Federal Government and onward transfer to Pension Fund Administrator chosen by these individuals

The Retirement Benefits Bond Redemption Fund was created in compliance with the provision of Section 29 of the Pension Reform Act 2004. This section places the responsibility for managing and investing the fund on Central Bank of Nigeria (CBN). However, PenCom on behalf of Federal Government of Nigeria has been verifying and ascertaining the accrued pension rights of the retiring employees and advising CBN on the various liabilities and payments to be made to them. PenCom is neither a signatory to nor is it involved in the management of the Account.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2008

	2008 N'000	2007 N'000
16. Reconciliation of net surplus/ (deficit) in the year to net cash used in opening activities		
Surplus/(deficit) for the year	(420,273)	268,946
Add: Depreciation	272,245	118,962
	(148,028)	387,909
Movements in working capital:		
Stocks	(9,162)	(4,978)
Debtors	255,291	(409,034)
Creditors	(40,591)	231,737
Net cash used in operating activities	57,510	205,633
17. Cash and cash equivalents		
Cash at bank	10,722	494,574
Cash at hand	1,000	1,400
	11,722	495,974
18. Employees		
Aggregate payroll costs:		
Wages, salaries, allowances & bonus	1,276,848	911,821
Pension	118,648	40,761
	1,395,496	952,582

19 Post balance sheet events

There were no post balance sheet events which could have had material effect on the balance sheet of PenCom as at 31 December, 2008 and on the income and expenditure for the period ended on that date which have not been adequately provided for or recognised in these financial statements.

20 Comparative figures

Certain comparative figures have been reinstated in line with the presentation in the current year.



STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER, 2008

4.6 STATEMENT OF VALUE ADDED

	2008 N'000	%	2007 N'000	%
Income	2,291,880		1,971,526	
Less: Bought in materials and services				
- Local	(887,519)		(500,137)	
- Foreign	(156,893)		(130,899)	
	1,247,468	100	1,340,490	100
Applied as follows:				
To pay employees'				
Employees' wages, salaries and other benefits	1,395,496	112	952,582	71
To provide for assets replacement				
Depreciation	272,245	22	118,962	9
Retained for future growth				
Surplus/(deficit) for the year	(420,273)	(34)	268,946	20
	1,247,468	100	1,340,490	100



FINANCIAL SUMMARY

4.7 FINANCIAL SUMMARY

31 December	2008 N'000	2007 N'000	2006 N'000	2005 N'000
FIXED ASSETS	1,630,339	1,362,961	130,451	108,756
WORK IN PROGRESS		-	350,000	-
CURRENT ASSETS				
Stock	14,140	4,978	-	-
Debtors and prepayment	297,933	551,086	142,052	68,681
Bank and cash	11,722	495,974	90,615	700,448
	323,795	1,052,038	232,667	769,129
CURRENT LIABILITIES				
Creditors and accruals	215,350	255,941	11,356	32,349
Staff retirement benefits	-	-	12,851	15,738
	215,350	255,941	24,207	48,087
Net current assets	108,445	796,097	208,460	721,042
NET ASSETS	1,738,784	2,159,059	688,911	829,798
FINANCED BY				
Capital grant	1,636,176	1,636,176	434,976	434,976
General revenue fund	102,608	522,882	253,935	394,822
	1,738,784	2,159,058	688,911	829,798
Contingent assets/liabilities				
Contingent liabilities and other obligations on behalf of Federal Government of Nigeria and its employees	151,260,549	110,917,399	55,372,634	55,114,283
REVENUE				
Income	2,255,458	1,932,865	439,798	891,019
Other Income	36,422	38,661	27,635	37,647
	2,291,880	1,971,526	467,433	928,666
Less Expenditure				
Administrative expenses	2,439,908	1,583,617	550,373	496,674
Depreciation of fixed assets	272,245	118,962	57,948	37,170
Surplus/(deficit) for the year	(420,273)	268,946	(140,888)	394,822



PART 5

ADDRESSES & PROFILE OF PENSION OPERATORS

5.1 CONTACT DETAILS OF PENSIONS FUND OPERATORS

Table 5.1 Pension Fund Administrators

S/NO	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
1.	Alico Pension Managers Limited	Bola Akindeinde	Plot 2, Oba Akran Avenue, Ikeja Lagos	08056177025 01-2624667, 2625003	info@alicopension.com www.alicopension.com
2.	Amana Capital Pension Limited	Mohammed Gulani Shuaibu	No 7, Victoria Falls Street, Off Shehu Shagari Way (Behind Legacy House) Maitama, Abuja	08022902465 09-4615300 4615380-99	info@amanapension.com www.amanapension.com
3.	Apt Pension Fund Managers Limited	Hamza Sule Wuro Bokki	Federal Mortgage Bank House, Plot 266, Cadastral AO, Central Business District, Garki, Abuja	09-4614400-29 08033139435	info@aptpension.com www.aptpensions.com
4.	ARM Pension Managers (PFA) Limited	Funso Doherty	Plot 698, Sanusi Fafunwa Street, Victoria Island, Lagos	08035260493 01-2715005, 2692097	info@armpension.com www.armpension.com
5.	Citi Trust Pension Managers Limited	Otunba Otukayode Otufale	Citi Trust Plaza, 10th Floor, 9/11 Catholic Mission Street, Lagos Island, Lagos	01-2632833, 2645380, 2635880	o.otunfale@cititrustpension.com
6.	Crib Pension Fund Managers Limited	P. T. Adediji	Aret Adams House, Left Wing 2nd Floor, 233 Ikorodu Road, Illupeju, Lagos	01-2790866-67 01-8978296, 4331831	cribpensionfund@yahoo.com www.cribpension.com
7.	CrusaderSterling Pensions Limited	Adeniyi Falade	Plot 42, Adeola Hopewell Street, Victoria Island, Lagos	08058004953, 01-2713800-4	info@crusaderpensions.com www.crusaderpensions.com

Table 5.1 Pension Fund Administrators (Cont'd)

S/NO	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
8.	Evergreen Pensions Limited	Clement E. John	74, Abak Road, Uyo, Akwa Ibom State	08033238845 0805-200285 0805-200286 0805-200778	info@evergreenpensions.com www.evergreenpensions.com
9.	Fidelity Pension Managers Limited	John Obi	2 Adeyemo Alakija Street, Victoria Lagos	08033090800 01-4626968-9, 4626993	info@fidelitypensionmanagers.com www.fidelitypensionmanagers.com
10.	First Alliance Pension and Benefits Limited	Ashgar Saeed Yar'Adua	No. 23, Aminu Kano Crescent, Wuse II, Abuja	09-4139107 4131231-4, 4131239	enquiries@firstalliancepension.com www.firstalliancepensions.com
11.	First Guarantee Pension Limited	Wilson Ideva	Plot 3, Idowu Martins Street, Victoria Island, Lagos	01-2613413 01-2627132 01-2610366	info@firstguaranteepension.com www.firstguaranteepension.com
12.	Future Unity Glanvills Pensions Limited	Usman B. Suleiman	Plot 1239B Bishop Oluwole Street, Victoria Island, Lagos	08033435906 01-4627060, 01-4627067	info@fugpensions.com www.fugpensions.com
13.	IEI-Anchor Pension Managers Limited	Emmanuel Usman Adejo	No. 51A, Oro Ago Crescent, Garki II, Abuja.	08037019717 09-3146526 09-4618900-9	info@anchorpension.com www.anchorpension.com
14.	IGI Pension Fund Managers Limited	Yinka Obalade	8, Adeola Odeku Street, Victoria Island, Lagos	01-6213043, 08023298366	info@igipfm.com www.igipfm.com

Table 5.1 Pension Fund Administrators (Cont'd)

S/NO	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
15.	Leadway Pension PFA Limited	Mrs. Aderonke Adedeji	Afric Place, No. 7 Afric Road, Off Western Avenue, Lagos	01-2800850	info@pensure-nigeria.com www.pensure-nigeria.com
16.	Legacy Pension Managers Limited (PFA)	Bello Mohammed Maccido	No. 39, Adetokunbo Ademola Crescent, Wuse II, Abuja	08033082184, 09-6738002	info@legacypension.com www.legacypension.com
17.	NLPC Pension Fund Administrators Limited	A. O. Kolawole	No. 312A, Ikorodu Road, Anthony, Lagos	08034027008, 01-7610811-2, 01-4978534	info@nlpcpfa.com www.nlpcpfa.com
18.	Oak Pensions Limited	M. O. Olayinka	15B, Oko Awo Street, Off Adetokunbo Ademola Street, Victoria Island, Lagos	08034035601, 01-4616680, 4614075, 01-2627450	info@oakpensions.com www.oakpensions.com
19.	Penman Pension Limited	Mohammad Bello	NACRDB Plaza, Link Block Independence Avenue Central Business District, Abuja	08033118833, 09-4138226-7, 2349280, 2349286, 6724542, 4619700-11	info@penmanpensions.com www.penmanpension.com
20.	Pensions Alliance Limited	Aigboje Higo Jnr.	7th Floor, Bull Plaza, 38/39 Marina, Lagos	08023153323, 01-7908858 01-7908854	info@pensionalliance.com www.pensionalliance.com

Table 5.1 Pension Fund Administrators (Cont'd)

S/NO	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
21.	Premium Pension Limited	Aliyu AbdulRahaman Dikko	No. 7, Dar-Essalam, Street, Off Aminu Kano Crescent, Wuse II, Abuja	08035606044, 09-4615707, 09-4615700, 01-2703501	info@premiumpension.com www.premiumpensions.com
22.	Royal Trust Pension Fund Administrator Ltd	Lawan Alhassan	Plot 2107 Tafawa Balewa Way, Area 3, Garki, Abuja.	09-2341151, 7800427, 09-7802508	royalinfo@royaltrustpfa.com www.royaltrustpfa.com
23.	Sigma Vaughn Sterling Pensions Limited	Adamu M. Modibbo	No. 29 Durban Street, Off Adetokunbo Ademola Crescent, Wuse II, Abuja	08025014950, 09-4613333, 5237787, 09-5237816	info@sigmapensions.com www.sigmapensions.com
24.	Stanbic IBTC Pension Managers Limited	Yinka Sanni	Plot 1678, Olukunle Bakare Close, Victoria Island, Lagos	08034020096, 01-2716000	pensionmanagers@stanbicibtc.com www.stanbicibtc.com
25.	Standard Alliance Pension Managers Limited	Ademola Aina Adebayo	9. Younis Bashorun Street, Off Ajose Adeogun Street, Victoria Island, Lagos	01-4626921-3	info@sapensionng.com www.sapensionng.com
26.	Trustfund Pensions Plc	Bernard N. Ekwe	Plot 820/821, Labour House, Central Business District, Abuja	08022901907, 09-6725777, 09-6725946	info@trustfundpensions.com www.trustfundpensions.com

Table 5.2 Closed Pension Fund Administrators

S/NO	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
1.	Chevron Nigeria Pension Plan Limited	Laisi Olaniran Fashanu	SPG Complex (Agungi Bus, Stop), Lekki/Ajah Express Way, Lagos	01-2600600 01-3660000 01-3668111, 01-2600600	oofa@chevron.com www.chevron.com/nigeria
2.	Nestle Nigeria Trust (CPFA) Limited	Michael Olufemi Awotedu	22/24 Industrial Avenue, Illupeju, Lagos	08034020172	michael.awotedu@ng.nestle.com www.tng.nestle.com
3.	Nigeria Agip CPFA Limited	Chukwudi N. Illoh	258A, Etim Inyang Crescent, Victoria Island, Lagos	07034060851 01-2621600-9	chukwudi.iloh@narc.agip.it www.naoc.agip.it
4.	Progress Trust CPFA Limited	Mrs. H. T. Lawani	Iganmu House, No. 1, Abebe Village Road, Iganmu, Lagos	08053184274	titi_lawani@heinken.ni www.progesstrustcpfa.com
5.	Shell Nig. Closed Pension Fund Administrator Ltd	Mrs. Yemisi Ayeni	11th Floor, Sterling Towers, 20 Marina, Lagos	01-2762007, 08024462007	yemisi.ayeni@shell.com www.shellnigeria.com
6.	Total (E and P) Nigeria CPFA Limited	Godwin Dike	Plot 25, Trans Amadi Industrial Layout, Port Harcourt.	084-2623720-39	goodwill.dike@total.com www.total.com
7.	Unico CPFA Limited	Mrs. Muhibat O. I. Abbas	Niger House, 1-5 Odunlami Street, Lagos	01-2661756 7943025	unico@uacnplc.com www.unicocpfa.com

Table 5.3 Pension Fund Custodians

S/NO	Name of Operator	Managing Director	Address	Phone No.	E-mail and Web Addresses
1.	Diamond Pension Fund Custodian Limited	Emeka Osuji	1A Tiamiyu Savage Street, Victoria Island, Lagos	01-2713954, 2713680, 723161, 4613753, 08033066986	info@diamondbank.com www.diamondpfc.com
2.	First Pension Custodian Nigeria Limited	Stephen Olabisi Onasanya	124 Awolowo Road, Ikoyi, Lagos	01-2692736, 2713217- 8, 080222901946	info@firstcustodianigeria.com www.firstpensioncustodian.com
3.	Oceanic Pension Fund Custodian Limited	Duru Patrick	Waterfront Plaza, 18A Ozumba Mbadiwe Avenue Victoria Island Lagos	01-2806043-6	enquiry@oceanicpfc.com www.oceanicpfc.com
4.	UBA Pensions Custodian Limited	Mrs. Oluwatomi A. Soyode	30, Adeola Hopewell Street, Victoria Island, Lagos	01-2800000, 08038077700	cic@ubagroup.com www.ubagroup.com
5.	Zenith Pensions Custodian Limited	Lara Alagbada	2nd Floor, Zenith Heights, Plot 87, Ajose Adeogun Street, Victoria Island, Lagos	01-2782900-30, 08022912607	enquiries@zenithcustodian.com www.zenithcustodian.com

5.2 PROFILE OF PENSION FUND OPERATORS

Table 5.4 Profile of Pension Fund Administrators

S/N	PFA Name	Board of Directors	Appointment	Paid-up Share Capital (N'million)	Number of Branches	External Auditors
1.	Aiico Pension Managers	<p>Chief (Dr.) Rasheed Gbadamosi OFR J.B Akindeinde Chief (Dr.) S. I. Adegbite, OFR Chief (Dr.) O. Fajemirokun S. D. A. Shobanjo Adeboye Shonekan B. J. Oluwadiya O. S. Oyedokun</p>	<p>Chairman Managing Director/CEO Director Director Director Director Director Director</p>	400.0	10	Ernst & Young 2A Bayo Kuku Street, Ikoyi, Lagos Tel: 01-4630479-80
2.	Amana Capital Pension Limited	<p>Chief O. C. Harry JP. Modibbo Yusuf Aliyu Mohammed Gulani Shuaibu Effiong S. O. Onwionoko Abubakar Muhammed Mann Babajika Mustafa Yaro Alhaji Jinjiri Mohammed Bashir Tukur Edward O. Akerele Bello Mustapha Belel</p>	<p>Chairman Vice Chairman Managing Director/CEO Director Director Director Director Director Director Director Director</p>	500.0	10	P. A. Adebimpe & Co. First Floor, Wema Bank Building, Central Business District Abuja Te: 08036858830
3.	Apt Pension Fund Managers Limited	<p>Al-Mujtaba Abubakar Gumi Hamza Sule Wuro Bokki Kasimu Garba Kurfi Ahmed Rufai Alti Danfuloti Kado Guga Hassan Usman</p>	<p>Chairman Managing Director/CEO Director Director Director Director</p>	150.5	11	Muhtari Dangana Co. (Chartered Accountants) 12 Bompai Road, Kano

Table 5.4 Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Appointment	Paid-up Share Capital (N'million)	Number of Branches	External Auditors
4.	ARM Pension Managers Limited	Christopher Nonyelum Okeke Funsho Doherty Ayodeji Ali Ms. Jumoke Ogundare George Amoaka Temang Emmanuel Ikazoboh	Chairman Managing Director/CEO Director Director Director Independent Director	400.0	29	KPMG Professional Services. 22A, Gerrard Road, Ikoyi, Lagos Tel: 01-2694660-4 01-4630290-3
5.	Citi Trust Pension Managers Limited	Otunba Otukayode Otufale Olusegun Olusanya Chief Alex Duduyemi Chief Adedotun B. Adebonojo	Chairman/CEO Director Director Director	200.0	2	Oyelami Soetan Adeleke & Co Chartered Accountants), Kresta Laurel Complex, 4th Floor, 376 Ikorodu Road Maryland, Lagos Tel: 01-7744873
6.	Crib Pension Fund Managers Limited	Chief Babajide Olatunde-Agbeja P. T. Adediji Adedotun Ogunwoolu Mrs. Bola Onigbogi Adegboyega Isiaka Oyetola	Chairman Managing Director/CEO Director Director Director	200.0	3	SIAO (Chartered Accountants), 18B Temple Road, Ikoyi, Lagos Tel: 01-4630867, 01-4630873
7.	Crusader Sterling Pension Limited	Olutola O. Mobolurin Adeniyi Falade Gabriel O. A. Oyelami Adewale Adewunmi Lanre Adesanya Joseph O. Ameh Bennedikter C. Molokwu Tofarati Augusto Razack Adeyemi Adeola	Chairman Managing Director/CEO Director Director Director Director Independent Director Director Director	725.6	3	Pannel Kerr Forster NACRDB Building 4th Floor Independent Way, CBD, Abuja Tel: 08034086939 08080411569

Table 5.4 Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Appointment	Paid-up Share Capital (N'million)	Number of Branches	External Auditors
8.	Evergreen Pensions Limited	Ini Etuk Clement Etim John Elder (Mrs.) Ukeme Esang Mrs. Comfort Essien Mrs N. A. Roberts Ubong Awah	Chairman Managing Director/CEO Director Director Director Director	200.0	4	Dan Oku & Co. (Chartered Accts. & Consultants) No. 2, Offiong Ekpo Close, Off 65, Marian Extension, Calabar Te: 08033181182
9.	Fidelity Pension Managers Limited	Chief Christopher Eze John Obi Frank Onwu Maj. Gen. Mohammed Magoro (Rtd) Mike Osime Reginaid Ihejiahi	Chairman Managing Director/CEO Director Director Director Director Director	350.0	18	Akintola Williams Deloitte & Touche 235, Ikorodu Road, Ilupeju, Lagos Tel: 01-4930720-4
10.	First Alliance Pension & Benefits Limited	Dan Akujobi Ashgar Saeed Yar'Adua Jibrin D. Chinade M. T. Liman A. V. M. George Martins Olufunsho (Rtd) Arc. Thomas Awagu Bruce Dunnington	Chairman Managing Director/CEO Director Director Director Director Director Director Director	206.0	2	Akintola Williams Deloitte & Touche 235, Ikorodu Road, Ilupeju, Lagos Tel: 01-4930720-4
11.	First Guarantee Pension Limited	Olaiya O. Ojo Nze Chidi Duru Wilson Ideva Nnamdi Annamah Tsegba Temgu	Chairman Vice Chairman Managing Director/CEO Director Director	200.0	8	Spiropoulos, Adeleke, Okpara & Co. 6th Floor, 16A Commercial Avenue, Sabo Yaba, Lagos Tel: 01-7648699, 01-7744970

Table 5.4 Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Appointment	Paid-up Share Capital (N'million)	Number of Branches	External Auditors
12.	Future Unity Glanvills Pensions Limited	Mrs. Elizabeth Ebi Usman B. Suleiman Mrs. Folasade Onanuga Richard Asabia D. P. O. Uju Kayode Pitan	Chairman Managing Director/CEO Director Director Director Director	500.0	13	KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4 01-4630290-3
13.	IEI-Anchor Pension Managers Limited	Sen. (Dr.) Jonathan Silas Zwingina Oyebanji Alaga Kingsley K. Elekenachi Abdulazeez Abubakar Ibrahim Rufa'i S. Hanga Ifie Sekibo M. P. Anthony Madojemu Okuredey Dr. Obadia Mailafiya	Chairman Managing Director/CEO Executive Director Director Director Director Director Independent Director	1,000.0	11	KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4 01-4630290-3
14.	IGI Pension Fund Managers Limited	Apostle (Dr.) Hayford Alile, OFR Yinka Obalade Doyin Adebambo Remi Olowude, OON Gen. (Dr.) Yakubu Gowon, GCFR Rotimi Fashola Chief Eugene Okwor	Chairman Managing Director/CEO Executive Director Director Director Director Director	250.0	4	Lawal Obayomi & Co. Chartered Accountants 54, Agbaya Road Ogudu-Ojota, Lagos Tel: 08033043052 08055253292 08033020719 01-8165178

Table 5.4 Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Appointment	Paid-up Share Capital (N'million)	Number of Branches	External Auditors
15.	Leadway Pensure PFA Limited	Lt. Gen. Garba Duba (Rtd) Mrs. Aderonke Adediji Oye Hassan-Odukale Yugandhora S. Rao Kofo Majekodunmi Tunde Hassan-Odukale Ike Osakwe Wole Oshin Olutayo Odunsi	Chairman Managing Director/CEO Director Director Director Director Director Director (Alternate)	500:0	24	Akintola Williams Deloitte & Touche 235, Ikorodu Road Ilupeju, Lagos Tel: 01-4930720-4
16.	Legacy Pension Managers Limited PFA	Mahey Rasheed Rafindadi Bello Mohammed Maccido Ahmed Lawan Kuru Baba Mohammed Aliyu Hassan Agwai Mohammed Hassan Danbaba Marafa Segun Fawora Lamis Dikko	Chairman Managing Director/CEO Director Director Director Director Director	300:0	28	KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4 01-4630290-3
17.	NLPC Pension Fund Administrators Ltd	J. O. Emmanuel A. O. Kolawole Mrs. C. O. Oyeleye E. O. Eleramo A. A. Adeyeye Chief F. R. A. Marinho A. A. Alkali Senator O. O. Omilani S. Ayo Twins	Chairman Managing Director/CEO Executive Director Director Director Director Director Independent Director	300:0	20	Ajibade Durojaiye & Co. (Chartered Accountants) 27 Ajayi-Aina Street Ifako-Gbagada Tel: 01-7747925 0805526749

Table 5.4 Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Appointment	Paid-up Share Capital (N'million)	Number of Branches	External Auditors
18.	Oak Pensions Limited	Ambrose Feese M. O. Olayinka Mrs. F. Babington-Ashaye Peter Amedadaji K. M. Sagoe M. I. Baba	Chairman Managing Director/CEO Director Director Director Director	300.0	3	KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4 01-4630290-3
19.	Penman Pension Limited	(Dr.) Umaru A. Mutallab, CON Ahmad Bello Amb. Ibrahim Y. Abdullahi, CON Dr. Suleyman Ndanusa, OON Umaru Kwairanga Abdulkadir Idris Adekunle O. Alonge Engr. Boni C. Madubunyi Barrister Wada Ibrahim Sulaiman Dauda Karofi Anthony E. Nzenwata	Chairman Ag. Managing Director/CEO Director Independent Director Director Director Independent Director Director Director Director Alternate Director	497.45	1	Pannel Kerr Forster 18/19 Ahmadu Bello Way, Kaduna Tel: 062-248600
20.	Pensions Alliance Limited	Railwan Bello Osagie Aigboje Higo, Jnr. Hamda Ambah Daniel Agbor	Chairman Managing Director/CEO Executive Director Director	713.7	32	KPMG Professional Services 22A Gerrard Road, Ikoyi Lagos Tel: 01-2694660-4 01-4630290-3

Table 5.4 Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Appointment	Paid-up Share Capital (N'million)	Number of Branches	External Auditors
21.	Premium Pension Limited	Mohammed Sabi'u Baba Aliyu A. Dikko Arc. Sale M. Yunusa Abdullahi Yahaya Umar Usman Zarma Arc. Yunusa Yakubu Dr. (Mrs.) Virgy Anohu A. Y. B. Adeshina	Chairman Managing Director/CEO Director Director Director Director Director Director	597.0	6	PrinceWaterHouseCoopers (PWC) Plot 252E Muri Okunola Street Off Ajose Adeogun Street Victoria Island, Lagos Tel: 01-2711700
22.	Royal Trust Pension Fund Administrator Limited	Owelle Prince C. N. Ukachukwu Lawan Alhassan Okey J. Moka Prince Nasir Ado Bayero Hon. Ben Nwankwo Princess Millicent Ukachukwu Daniel Nwokedi Chief fabian Nwaora Prince Tokunbo Sijuwade	Chairman Managing Director/CEO Director Director Director Director Director Director Director	300.0	3	KL & Co. (Nigeria) Chartered Accountants Suite 26/27E, Sabon Dale Shopping Complex Plot 526, Obafemi Awolowo Way, Jabi District Abuja
23.	Stanbic IBTC Pension Managers Limited	Atedo N. A. Peterside, OON Yinka Sanni Obinnia Abajue Eric Fajemisin Ahmed Dasuki Mrs. Olusola A. David-Borha Okey Nwuke Christopher John Bland Newson Mrs. Aniola Durosinmi Etti Oladipo Ajose-Adeogun	Chairman Managing Director/CEO Executive Director Executive Director Director Director Director Director Independent Director	500.0	3	PrinceWaterHouseCoopers (PWC) Off Ajose Adeogun Street, Victoria Island, Lagos Tel: 01-2711700 01-2703101-15

Table 5.4 Profile of Pension Fund Administrators (Cont'd)

S/N	PFA Name	Board of Directors	Appointment	Paid-up Share Capital (N'million)	Number of Branches	External Auditors
24.	Sigma Vaughn Sterling Pensions Ltd	Alhaji Rasaki Oladejo Adamu M. Modibbo Rick Veringa Chief Cletus Imasuen Umaru H. Modibbo Mrs. Titilayo T. Adebisi Mohammed A. Jalingo Dunami Stanley Balam Ms. Yimebe Joi Nunieb	Chairman Managing Director/CEO Executive Director Director Director Director Director Director Independent Director	890.0	6	Muhtari Dangana & Co. (Chartered Accountants) Aminu Kano Crescent, Wuse II, Abuja Tel: 09-4132590 08023316439
25.	Standard Alliance Pension Managers Limited	Olorogun O'tega Emerhor Ademola Aina Adebayo David Joshua Nsikakabasi Bode Akinboye Patrick Bassey Ahmed Salawudeen Austin Enajemo-Isire Muhammad Imam Yahaya, OFR David Joshua Dr. M. Yahaya	Chairman Managing Director/CEO Deputy Managing Director Director Director Director Director Director Director Director	200.00	-	Muhtari Dangana & Co. (Chartered Accountants) Aminu Kano Crescent, Wuse II, Abuja Tel: 09-4132590 08023316439
26.	Trustfund Pensions PLC	Suleiman Kassimi, mni Bernard N. Ekwe Peter Esele John Odah Ismail M. Agaka Akinwumi Oladeji Enukora Okoli Awa C. Chukwu	Chairman Ag. Managing Director/CEO Director Director Director Director Director Director	800.0	42	Ernst & Young (Chartered Accountants)) 2A, Bayo Kuku Street, Ikoyi, Lagos Tel: 01-4630479-80 Muhtari Dangana & Co. (Chartered Accountants) Wuse II, Abuja Tel: 09-4132590, 08023316439

Table 5.5 Profile of Closed Pension Fund Administrators

S/N	CPFA Name	Name of Director	Appointment	External Auditors
1.	Chevron Nigeria Pension Plan Limited	Olafunke Alade-Adeyefa F. D. Nelson Tom G. Hoffman T. Socha Ike Oguine Ezekiel O. Shadiya Emmanuel O. Imafidon	Chairman Managing Director/CEO Director Director Director Director	PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island Lagos Lagos 01-2703101-15
2.	Nestle Nigeria Trust (CPFA) Limited	Martins Woolnoogh M. O. Awotedu S. O. Soles Martins Krugel David C. Ifezulike	Chairman General Manager/CEO Director Director Director	KPMG Professional Services 22A Muri Okunola Street, Ikoyi, Lagos Tel: 01-2694660-4 01-4630290-3
3.	Nigeria Agip CPFA Limited	Carlo V. Russo Chukwudi N. Illoh Daru Owei Stefano Pujatti	Chairman Managing Director Director Director	PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island Lagos Tel: 01-271170, 01-2703101-15
4.	Progress Trust CPFA Limited	M. J. Herkemij Mrs. H. T. Lawani C. O. Oke V. N. Onwuadiamu L. LeCouedic	Chairman Managing Director/CEO Director Director Director	PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island Lagos Tel: 01-271170, 01-2703101-15

Table 5.5 Profile of Closed Pension Fund Administrators (Cont'd)

S/N	CPFA Name	Name of Director	Appointment	External Auditors
5.	Shell Nig. Closed Pension Fund	Basil E. Omiyi Mutiu Sunmonu Mrs. Yemisi Ayeni Osagie Okunbor Mr. Felix O. A. Ohiwerei Mrs. Claire Ighodaro Esa Ikaheimmen	Chairman Alternate Chairman Managing Director/CEO Director Independent Director Director Director	PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island Lagos Tel: 01-271170, 01-2703101-15
6.	Total (E and P) Nigeria CPFA Limited	Alex Musa Godwill Dike Mrs. Carol Mirt Peter Igbomia Obembe Olubum Mrs. Chantil Belliard Chijioke Udoba Michael Anwankuo Dornu Kogam	Chairman Managing Director/CEO Director Director Director Director Director Director Director	KPMG Professional Services 22A Gerrard Road, Ikoyi, Lagos Tel: 01-2694660-4, 01-4630290-3
7.	Unico CPFA Limited	Larry Ephariam Ettah Mrs. Muhibat O. Odowu Abbas Julius O. Oshomoji	Chairman Managing Director/CEO Director	Akintola Williams Deloitte & Touche 235, Ikorodu Road, Ilupeju, Lagos Tel: 01-4930720-4

Table 5.6: Profile of Pension Fund Custodians

S/N	PFC Name	Name of Director	Appointment	Paid-up Share Capital (N' million)	External Auditors
1.	Diamond Bank Custodian Nigeria Limited	Emeka Osuji Dr. Yerima Ngama Prof. T. A. J. Ogunbiyi	Managing Director/CEO Director Director	2,000.0	PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos Tel: 01-2711700 01-2703101-15
2.	First Pension Custodian Nigeria Limited	Chief (Dr.) Joseph Sanusi, CON Stephen O. Onasanya Muhammad Ibrahim, OFR Abdullahi Mahmud Dr. Ayoola Oba Otudeko, OFR Jacobs Moyo Ajekigbe	Chairman Managing Director/CEO Director Director Director Director	2,000.0	KPMG Professional Services 22A Gerrard Road, Ikoyi, Lagos Tel: 01-2694660-4 01-4630290-3
3.	Oceanic Pension Fund Custodian Limited	Dr. Mrs. Ibru Cecilia Duru Patrick Dr. Austen-Peters A. Oluwarotimi Ibru Oboden Oye Dele Ciroma Mohammed	Chairman Managing Director/CEO Director Director Director Director	2,000.0	PriceWaterHouseCoopers 252E Muri Okunola Street, Off Ajose Adeogun, Victoria Island, Lagos Tel: 01-2711700 01-2703101-15

Table 5.6: Profile of Pension Fund Custodians (Cont'd)

S/N	PFC Name	Name of Director	Appointment	Paid-up Share Capital (N' million)	External Auditors
4.	UBA Pensions Custodian Limited	Victor Odozi Mrs. Tomi Soyode Victor Osadolor Bismarck Rewane Emmanuel Nnorom	Chairman Managing Director/CEO Director Director Director	2,000.0	Messrs Akintola Williams Deloitte & Touche, 235, Ikorodu Road, Ilupeju, Lagos Tel: 01-4930720-4
5.	Zenith Pensions Custodian Limited	Jim Ovia Lara Alagbada Vincent Ebu Godwin Emefiele Elias Igbin-Akenzua Peter Amangbo Apollos Ikpobe Adaora Umeoji Osadebe Osakwe Prof. Grace Alele Williams Williams	Chairman Managing Director/CEO Independent Director Director Director Director Director Director Independent Director Independent Director	2,000.0	PriceWaterHouseCoopers 252E Muri okunola Street, Off Ajose Adeogun, Victoria Island, Lagos Tel: 01-2711700 01-2703101-15